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# Daily Report

# East Asia

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# Daily Report

## East Asia

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**NOTICE:** An * indicates material not disseminated in electronic form.

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## Japan

### Trade Official on Upcoming Geneva Auto Talks

*OW0606102795 Tokyo KYODO in English 1011 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — Japan will break off upcoming Geneva auto talks with the United States and seek an outside referee if Washington insists on pushing for broad-based talks, a top trade official said Tuesday [6 June].

The official at the Ministry of International Trade and Industry (MITI), elaborating on earlier comments by MITI chief Ryutaro Hashimoto, said Japan is willing to discuss only its complaint filed with the World Trade Organization (WTO) against threatened U.S. trade sanctions.

If Washington sticks to U.S. Trade Representative Mickey Kantor's call for "comprehensive discussions" of the auto dispute, Tokyo will appeal to the WTO's dispute settlement panel, the official told reporters on condition of anonymity.

The level of the June 12-13 Geneva negotiations is not decided but the talks will likely be "extremely procedural," focusing on Japan's allegation that the 6 billion dollars worth of punitive sanctions violate WTO rules, he said.

Japan would reject any U.S. proposal to have the first talks stick to WTO rules and follow-up talks cover broader issues, such as Japan's allegedly closed auto and auto parts market, he said. "Every step is under the WTO framework."

Asked about the possibility of "countersanctions," which MITI officials earlier said they were considering, the official said, "We've decided not to say whether we're considering them or not."

The MITI official acknowledged that Japan's position attracts little public support in the U.S., especially in Congress, where Senate Majority Leader Bob Dole, a republican presidential contender, engineered a resolution supporting the handling of the issue by his democratic adversary, President Bill Clinton.

But the MITI official expressed hope for latent support from some lawmakers who might be refraining as long as the sanctions have not taken effect, naming Sen. Bill Bradley, a New Jersey democrat, as an example.

The 100 percent tariffs would hit 13 Japanese luxury car models imported after May 20 if no agreement is reached by June 28.

### Hashimoto Wants Talks To Cover Only Sanctions

*OW0606021795 Tokyo KYODO in English 0206 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — Trade minister Ryutaro Hashimoto said Tuesday [6 June] he has accepted a U.S. offer to hold auto talks June 12-13 in Geneva but insisted they be limited to Japan's complaint against threatened U.S. sanctions.

The Ministry of International Trade and Industry (MITI) chief said he sent Trade Representative Mickey Kantor a letter Monday night accepting the talks but leaving undecided a U.S. request for follow-up talks June 20-21 in Washington.

Kantor requested Friday that the talks be "comprehensive discussions," presumably including U.S. accusations of Japanese market barriers.

Hashimoto, however, reiterated at a regular news conference MITI's position that the talks should cover only Japan's complaint to the World Trade Organization (WTO) over the threatened 100 percent tariffs on 13 Japanese luxury car models.

The talks should be held in Geneva, where the WTO is based, or other neutral ground, not in Washington or Tokyo, Hashimoto said.

Addressing a Diet committee later, Hashimoto also said the talks next week would likely be at the expert level, as a U.S. official predicted Friday.

But he appeared flexible about the level of any subsequent talks, indicating MITI would accept high-level talks if the U.S. requests them.

In his letter, Hashimoto again urged Kantor to repeal the sanctions, which would hit 6 billion dollars worth of cars as of May 20 if no agreement is reached by June 28, and again appealed for Japan's WTO complaint to be treated as an urgent matter because the sanctions are already biting.

Kantor said Friday that such emergency treatment is "simply not appropriate."

The U.S. has been trying to drag out the talks, originally proposing only the June 20-21 session, which would fall after a bilateral summit June 15 and the June 15-17 summit of the group of seven industrial powers. But Kantor proposed the June 12-13 talks after Japan strongly insisted that the U.S. meet its WTO obligation to begin talks within 30 days of Japan's May 17 complaint.

Hashimoto welcomed a European Union (EU) request to join the bilateral talks as an observer, and urged the

U.S. to accept it. He told the Diet panel that he received the support Monday of the EU trade chief, European Commission Vice President Leon Brittan, who agreed that the U.S. is breaking WTO rules.

Hashimoto also sought to promote Japan's position by correcting what he called Kantor's "misunderstanding" of support for Japan in the bilateral row by other members of the Organization for Economic Cooperation and Development (OECD).

The U.S. was cornered 24-to-1 at last month's OECD ministerial meeting on a Japanese call to rule out "unilateralism," Hashimoto said, adding that only U.S. opposition to the indirect criticism of its sanctions kept the resolution from being included in the meeting's formal statement.

Kantor's Friday letter had said only that there was "nothing in the communique regarding unilateralism."

### MITI Official Criticizes U.S. Proposal

*OW0606065995 Tokyo KYODO in English 0646 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — The chief of the Japanese trade ministry's automotive division Tuesday [6 June] blasted the United States for its persistent demands on Japan to introduce new voluntary programs for purchasing U.S.-made parts, criticizing the idea as endangering the operations of Japanese "transplant" manufacturers in the U.S.

"First of all, we have made it our habit to use the term, 'purchasing quota,' instead of voluntary plans to describe the concept," Atsushi Oi told a news conference held mainly for foreign journalists.

Oi, director of the automobile division at the Ministry of International Trade and Industry's Machinery and Information Industries Bureau, heads an expert-level Japanese auto trade team.

He said Japan's acceptance of the U.S. demand would expose Japanese transplants to shortages of high-quality parts because most such components are now being delivered to the "big three" automakers due to a booming U.S. car market.

"If Japan gives in to the U.S., Japanese transplants would be forced to buy low-quality U.S. parts left unsold, under a compulsory quota system," Oi said. "MITI will flatly say no to the U.S. request."

Japanese automakers' commitment to use more U.S. parts is at the center of the Japan-U.S. auto trade dispute as part of the bilateral "framework" talks which have now developed into a global issue under the World Trade Organization.

Oi said he doubts Washington's claim that the auto dispute is only about market access in Japan.

He said the U.S. claimed it made "only reasonable requests" for opening the Japanese market but it is not true.

No matter how many times the U.S. makes such a claim, that "cannot hide the true history" of U.S. demands shown in past negotiations, he said.

Washington has rejected various Japanese proposals to improve market access and sales opportunities once it became clear that neither the Japanese Government nor Japanese automakers would agree to renew the voluntary plans, Oi explained.

During then U.S. President George Bush's visit to Japan in January 1991, Japanese automakers pledged to raise annual purchases of U.S. parts to a combined 19 billion dollars by fiscal 1994.

The briefing session by Oi was held at the foreign press center as part of Japan's new public relations campaign on autos.

It is unusual for bureaucrats of Oi's caliber to speak on the record.

Following Washington's announcement of a sanctions list against Japan in mid-May, MITI chief Ryutaro Hashimoto declared the need for Japan to step up a media campaign and other communications to accurately convey Tokyo's stance worldwide.

"We understand that we are not necessarily skillful on the PR [public relations] front," Oi said.

### Evolution of MITI Auto-Talk Stance Viewed

*952B0179A Tokyo SENTAKU in Japanese May 95 pp 92-93*

[FBIS Translated Text] **We Will Not Make Additional Concessions!?**

Japan and the United States are enveloped in a mood typical of the eve before the outbreak of hostilities relative to comprehensive economic talks concerning automobiles and automotive parts. The United States, led by U.S. Trade Representative [USTR] Kantor, is poised to implement economic sanctions against Japan, while the Ministry of International Trade and Industry [MITI], led by MITI Minister Ryutaro Hashimoto, is attempting to take a position diametrically confronting the United States. The negotiations between the two countries will peak with the holding of a meeting between Hashimoto and Kantor at the four-nation/region [i.e., Japan, United States, Canada, and European Union] trade ministers conference to be held in Canada on 4 and 5 May. If an agreement cannot be reached at that meeting, the two nations will be suddenly thrust into an "all-out war" scenario involving the issuance of sanctions by the United States and a battle of appeals filed by both nations with the World Trade Organization [WTO].

Deputy minister negotiations were conducted in Washington in the middle of April. As soon negotiations, which were chaired by Trade and Industry Councilor Yoshihiro Sakamoto on the Japanese side, were broken off with the United States, Sakamoto caught a flight to WTO headquarters in Geneva. In Geneva, Sakamoto conferred with Secretary General Southerland and others, conveying the message that Japan would appeal to the WTO should the United States issue sanctions, and asking for support of the Japanese position. Sakamoto is a capable individual who was once considered for the position of vice minister, and his tough negotiating stance during the automotive talks can be considered as a demonstration of his expertise as an able bureaucrat. Having appointed an able trade and industry councilor as the chief of the negotiating team, a mood prevails within MITI that "there is no need to fear the United States."

**New Genre of Nationalists**

Comprehensive economic negotiations were initiated in July 1993 during a meeting between Miyazawa and Clinton. The purpose was to improve American access to Japanese markets on an individual sector basis as a means of reducing the huge U.S. trade deficit with Japan. About 60 percent of the trade deficit on the part of the United States with Japan is represented in the area of automobiles and automotive parts. The United States is of the perception that opening of the Japanese automotive market is indispensable to the reduction of the trade deficit with Japan and has positioned the automotive sector as a "priority sector" of highest importance.

However, the negotiations have recorded hardly any progress despite the passage of almost two years. Rather than being a case where progress has been made towards an agreement, the only noticeable feature of the negotiations has been the severity of the confrontation. A major bottleneck in the negotiations does not pertain to intergovernmental topics such as expansion of dealer networks handling foreign vehicles, but Japanese automotive manufacturer plans to expand purchases of U.S.-made parts.

In January 1992, Japanese car makers presented a "voluntary plan to purchase U.S.-made parts" in fiscal year 1994 in the amount of $19 billion to U.S. President Bush, who was accompanied to Japan by leaders of the Big Three auto makers. The plan was subsequently revived during the automotive negotiations. The voluntary plan served as an ideal negotiating lever for the Clinton Administration, which embraces a results-oriented trade policy. The nature of the Clinton Administration made it only logical for it to demand "the presentation of a plan which covers the period subsequent to fiscal year 1994." In the spring of last year, Japanese auto makers reluctantly responded to the U.S. demand under the guidance of MITI in preparing individual voluntary plans covering fiscal year 1995 through the final year of 1997.

Japanese negotiators were overly optimistic when they assumed that the United States would be satisfied with such a plan. Subsequently, the United States asked for a modification of the plan. It became a case where MITI was in no position to ask for a change to a plan which it had already accepted. MITI asserted the logic that "it cannot engage in negotiations on aspects which do not fall within the purview of government jurisdiction," and succeeded in gaining U.S. negotiator acceptance of that logic.

However, U.S. negotiators faced a circumstance in which they could not withdraw their demand for augmentation of the voluntary plan. The U.S. automotive industry, led by the Big Three, has been engulfed in prosperity and has lost its concern over the Japanese markets compared to earlier times. However, the Clinton Administration faces different circumstances in which any retreat from its policy of emphasizing results in its demands against Japan could be used as an excuse for attacks by the Republican Party. Additionally, looking forward to the presidential elections of 1996, the Clinton Administration would like to achieve success in its negotiations which would benefit the Midwest, where automotive parts makers are concentrated, as a means to win a controlling segment of votes.

The United States designated the Japanese repair-parts market as a target for Section 301 of the U.S. Trade Law (retaliatory measures against trading partners' unfair trade practices), in response to the failure of cabinet-level negotiations held at the end of September of last year between Hashimoto, minister of international trade and industry, and USTR Kantor. Additionally, the United States launched an investigation. The deadline for the investigation was set as the end of September of this year, but the United States became impatient with delays in the negotiations and substantially accelerated the investigation for conclusion in May of this year and conspicuously stepped up pressure on Japan.

Sanctions under Section 301 were effective in connection with Japan-U.S. semiconductor friction which occurred in the latter half of the 1980's. Tariffs of 100 percent were imposed on electrical power tools, and Japan succumbed to sanctions and was forced to establish a 20-percent-plus-share goal for foreign-made semiconductors in its markets as part of an auxiliary document to the Japan-U.S. semiconductor agreement. That example implanted the perception on the part of the United States that "Japan will compromise in the face of a threat." Having confirmed its ability to pry open markets under the threat of sanctions, the United States made wide use of the approach in connection with market-opening actions in areas such as construction and cellular telephones.

However, the MITI which was intimidated at the time of the semiconductor friction no longer exits. If the minister of international trade and industry asserts, "if the United States issues sanctions, we will appeal to the WTO," Trade and Industry Councilor Sakamoto (employed by the ministry since 1962), who leads the hard-liners and his subordinates, agree, "the U.S. approach consists of imposing managed trade. We cannot accept the approach under any circumstance." The U.S negotiators intensify their distrust (according to U.S. embassy sources) in comments saying, "having embraced managed trade on its own part, why is it that they say they cannot practice managed trade at the present time?"

Members of the International Trade Policy Bureau who support Trade and Industry Councilor Sakamoto include bureau director general Hisashi Hosokawa (hired by MITI in 1964), deputy director general Kenshi Isayama (hired by MITI in 1967), Economic Cooperation Department Chief Hidehiro Konno (hired by MITI in 1968), General Affairs Division Chief Hirokazu Okumura (hired by MITI in 1971), and Americas Division Chief Masakazu Toyoda (hired by MITI in 1973).

These individuals are neither anti-American nor avidly pro-Asian. If we were to insist on categorizing them, we could probably call them a new type of nationalist who assign the highest priority to national interests. If we were to limit the categorization to affairs with the United States, they would be called "hard-liners in relations with the United States" who unequivocally say "no" to ideas that are not feasible. They clearly differentiate themselves from the previous generation which indiscriminately acceded to U.S. demands.

The surfacing of anti-U.S. hard-liners was based on the development of a thorough strategy on their part. The key to that strategy lies with developments which at a glance seem unrelated, such as "Asia Pacific Economic Cooperation" [APEC] and the Unfair Trade Practices Report.

**Face a Situation With Determination**

APEC was supposedly established under the sponsorship of Australian Prime Minister Hawke, but the behind-the-scenes strategist was Japan's MITI. In 1988, Sakamoto, then International Economic Affairs Division chief (currently trade and industry councilor), supervised Hosokawa, International Economic Affairs Department chief (currently International Trade Policy Bureau director general), and trade planning officer Toyoda (currently Americas Division chief) in preparation of an interim package known as the "Asia Pacific Trade Development Research Committee" which became the basis for the APEC concept. Subsequently, General Affairs Department Chief Okumura, who also served as an industrial researcher at the Sydney office of the Japan External Trade Organization, tested the idea with various countries, beginning with Australia. Hosokawa was later replaced by Kono and Isayama who worked to ensure that APEC became a viable concept.

The purpose of APEC was to unify Asia, where the prospects were bright for economic growth, and to encourage the United States to join the Asian sphere, despite its tendency to favor the countries on the other side of the Atlantic Ocean. And the idea was to treat Japan-U.S. relations not only as a bilateral relationship, but in terms of relations encompassing a multifaceted Asian-Pacific region. This experiment has proven to be of some success in that the United States has moved to deepen its interests in Asia, which contrasts with the West in terms of culture and political systems.

A matter which has played a role in further promoting such multilateralism included the annually released MITI Unfair Trade Practices Report. This report is patterned after the USTR report on foreign trade impediments, which is critical of trade practices of principal trading partners, but it was Toyoda, who had moved from trade planning officer to Fair Trade Promotion Section chief, who finally pushed the report to the stage of publication after overcoming cautious views within MITI which insisted it was "inadvisable to irritate the United States." The report referenced international rules such as GATT in commenting on trade practices of other nations. The report bases its views of trade practices on rules and does not hesitate in making comments concerning the United States and Europe. It does not cover rules nor negotiations which are limited to a bilateral scope.

Preference for multilateralism and adherence to rules was a fundamental principle launched by a MITI mindful of strategy pertaining to the United States. As long as the U.S. trade deficit with Japan persisted, the United States would continue to attack Japan and

Japan-U.S. trade friction would persist forever. The two fundamental principles were intended for use as theoretical fortification in defense against attacks by the United States. The elite bureaucrats who have shouldered responsibility for the establishment of such theory now occupy key positions in the International Trade Policy Bureau and play a leadership role in the hard-line stance with respect to the United States.

MITI faces the situation with determination. MITI nationalists will not make concessions to the United States by altering fundamental principles which they have established in a bold maneuver. The reason is that doing so would represent a denial of their very raison d'etre. Unfortunately, the United States has failed to awaken to the change in MITI and is still convinced that Japan will alter its position under pressure. On the other hand, MITI, which, had become exasperated with the unchanging U.S. stance, prepared itself for X-day when the United States would issue sanctions and made preparations to appeal to the WTO. Japan-U.S. automotive negotiations have assumed the atmosphere of a chicken race and have reached a stage where neither party can venture a retreat.

### Tokyo To Give EU 'Wider' Auto Market Access

*OW0606094695 Tokyo KYODO in English
0923 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — Japan has agreed to offer the European Union wider access to the Japanese automotive market, European Commission Vice President Leon Brittan reported Tuesday [6 June].

Brittan told a news conference the agreement was reached during two days of negotiations in Tokyo on Monday and Tuesday between representatives of the European Commission and Japan's Ministry of Transport (MOT).

"The commission noted the positive progress on a number of outstanding issues, notably agreements on the better access to MOT inspectors," he said.

The agreements include the certification in Europe of vehicles made by European companies in the United States for the Japanese market, the acceptance of the principle of component type approvals, acceptance of European fixed and actual durability factors for emission regulations and the introduction of a preferential handling procedure for trucks, Brittan said.

"These items collectively will help to facilitate the access of vehicles and parts to the Japanese market," he said.

Both sides agreed to continue studies on other remaining issues, including the question of noise emissions and "certain specific Japanese requirements," he said.

"The discussions were held in a positive and friendly climate in an atmosphere of cooperation," he said.

### EU Not Supporting U.S. Auto Sanctions Threat

*OW0606103295 Tokyo KYODO in English
1017 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — The European Union's trade chief Leon Brittan told Japanese Prime Minister Tomiichi Murayama on Tuesday [6 June] that the EU cannot support U.S. threats of auto trade sanctions against Japan because they run counter to the rules of multilateral trade talks.

Brittan, on a four-day visit to Japan through Wednesday, told Murayama that the EU also shares Japan's concerns that U.S. demands for numerical measures for market openness could lead to managed trade, a Foreign Ministry official said.

Murayama criticized the United States for its unilateral moves toward punitive sanctions and cited the need for the bilateral auto trade rift to be resolved under the umbrella of the World Trade Organization (WTO), the official said.

While welcoming the EU's recent favorable ties with Japan, however, Brittan was quoted as saying there is room for Japan to open its markets to foreign competition, including the autos and auto parts market.

The EU trade chief also sought further Japanese efforts to deregulate its economy, saying it will benefit both the EU and Japan, the official said.

Murayama briefed Brittan on Japan's recent deregulatory measures and offered assurances that Tokyo will continue to carry out further deregulation in the future, the official said.

### Brittan Comments on Auto Market Talks

*OW0606114495 Tokyo KYODO in English
1133 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — Japan and the European Union (EU) have made "substantial" progress on talks about Japanese deregulation that will give EU automotive sectors wider market access to Japan, EU trade chief Leon Brittan said Tuesday [6 June].

"The achievement will benefit all countries on the basis of most favored nation (MFN)," the European

Commission (EC) vice president said at a press meeting in Tokyo.

Agreements reached between representatives of the EC and the Japanese Transport Ministry during negotiations Monday and Tuesday mainly concern inspectors of the Japanese ministry, he said.

In the negotiations Japan agreed to participate in an international agreement on mutual recognition of motor vehicle regulations and that a schedule for accession will be drawn up by the end of the year, Brittan said.

The agreements include the certification in Europe of vehicles made by European companies in the United States for the Japanese market, acceptance of the principle of component type approvals, acceptance of European fixed and actual durability factors for emission regulations and introduction of a preferential handling procedure for trucks, Brittan said.

"The negotiations are still continuing, and both sides agreed to continue studies on other remaining issues," such as the question of noise and "certain specific Japanese requirements," he said.

Brittan is on a four-day visit to Japan through Wednesday to meet Japanese political and business leaders and explain the EU's new guidelines set by the General Affairs Council in late May on relations with Japan based on cooperation and dialogue.

Discussing the agenda for the June 15-17 summit meeting of the Group of Seven (G-7) industrial countries in Halifax, Canada, is another purpose of the trip, Brittan said.

The EU trade chief is being accompanied by 17 European business leaders, the first such practice by any EU official.

Brittan met Prime Minister Tomiichi Murayama on Tuesday evening.

### Trade Dispute, Socioeconomic System Examined

*OW0306025095 Tokyo SANKEI SHIMBUN in Japanese 29 May 95 Morning Edition p 7*

[Article by Iwao Nakatani, professor at Hitotsubashi University, from the "Seiron" column: "Doing Away With Customary Practices of Japan-U.S. Negotiation Is Welcome"]

[FBIS Translated Text] **Clinton Administration's "Stain"**

Japan-U.S. talks on automobiles and auto parts finally broke down. Taking the initiative, the United States filed a complaint with the World Trade Organization [WTO] about the exclusive nature of Japanese markets and announced a list of Japanese luxury passenger cars subject to 100-percent punitive tariffs. Japan immediately filed a request with the WTO to look into the U.S.'s "unjustifiable" sanction.

The judgment on the case before will be the first big job for the WTO. The WTO's ability to make decisions is questionable, but it is supposed that the unlawfulness of the U.S. sanctions will be verified and Japan will win the case. This assumption is based on the fact that the U.S. demand for numerical targets is an apparent violation of the GATT provisions prohibiting sanctions by one nation against another country. As a result, great damage will be done to the U.S.'s honorable position as the champion of free trade, which it has held since the end of World War II. Thus, this incident has a strong possibility of becoming a big stain on the Clinton administration.

The issues before the WTO are expected to end in a "victory" for Japan on the surface. In that sense, the Japanese Government's taking the case to the WTO seems to have been the right decision. But it has not solved the problem at all.

**"White Paper on Trade" Admits Japan's Closed Nature**

First of all, it must be pointed out that a number of countries are more or less sympathetic to the U.S. complaints against the exclusiveness of Japanese markets. Briefly, their reaction is that they agree with the U.S. about the exclusiveness of whole Japanese markets, but they cannot go along with the U.S. sanctions.

The WTO may be unable to reach an official conclusion quickly because detailed evidence has to be gathered to prove the exclusiveness of the Japanese automobile market. But the people of the world have come to realize that the Japanese market is very difficult to participate in. So it is possible that the WTO will rule against the U.S. sanctions while coping with the unfavorable world view of Japanese exclusiveness by issuing a warning against closed markets.

Second, it is a welcome sign that the Japanese broke its old habit of compromising at the last moment in its negotiations with the United States, after continually rejecting U.S. demands. Thus, from the standpoint of advancing free trade, Japan has to take the initiative in showing quite clearly its willingness to open its market, since it chose the open forum, the WTO, to judge the legitimacy of its complaint.

It is hardly imaginable, however, that Japan can carry out economic reforms such as deregulation as quickly as foreign countries wish, in view of strong domestic resistance, debilitating politics as never seen before, and almost paralyzed political functions. And Japan faces the dilemma that it cannot act correctly, even though it has declared before the whole world that it will no longer resort to underhand maneuvering but will challenge the problem face-to-face in an honest way. Then Japan will lose its credibility as a nation because it continues to pay lip-service while taking no action in spite of declaring its intention to act.

Matters will be totally different if Japan insists that its market is not restrictive. But such an attitude will make foreign countries suspicious of the Japanese Government's sincerity. As a matter of fact, the recently published 1995 "White Paper on Trade" pointed to the urgent need for Japan to launch such economic reforms as opening its market and enforcing deregulation to revitalize the Japanese economy and admitted, in an extraordinarily frank manner for a government publication, that the Japanese market is restrictive.

For example, the "White Paper on Trade" pointed out that direct foreign investment in domestic businesses remains at a very low level and that Japanese manufacturing industries are rapidly setting up their plants overseas due to the appreciation of the yen. And the paper even went on to make assume the worst possibility — that only regulated industries without competitive power will remain in Japan.

The paper's description of the problem is correct. In my opinion, it was right to take the issue of bilateral negotiation to the WTO for judgment in a fair and just manner at the international level rather than resorting to wrangles in talks between the two countries. What matters is whether Japan has the ability to carry out self-reform after making the right decision.

### Earnest Switch to Mode of Advanced Nations Advocated

At any rate, the WTO is expected to render a decision by 28 June, the date U.S. sanctions will go into effect. Whatever the decision, it is apparent that Japan has to deal in earnest with the critical question on which the nation will rise or fall: how to reform Japan's highly regulated system, typical of "developing countries," and build an open economic system like those of "developed nations."

Winning international confidence is not the only reason reform is necessary. In order for Japan, one of the advanced nations of the world, to regain its economic vitality and maintain that position into the 21st century, reforming its socioeconomic system in earnest is unavoidable.

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## Talks at Halifax, Paris Summits Previewed

*OW0506150695 Tokyo KYODO in English 1421 GMT 5 Jun 95*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — Prime Minister Tomiichi Murayama will leave next week for seven days of multilateral and bilateral summits in Canada and France, officials said Monday [5 June].

The premier will leave in the afternoon of June 14 for the three-day summit of the Group of Seven (G-7) industrial powers starting the next day in Halifax, Nova Scotia, and will fly to Paris June 18 for meetings with European and French leaders before returning to Tokyo on June 20, the Foreign Ministry officials said.

Murayama will meet U.S. President Bill Clinton and Canadian Prime Minister Jean Chretien earlier in the day before the G-7 summit kicks off with an evening reception and working dinner.

Foreign Minister Yohei Kono and Finance Minister Masayoshi Takemura will accompany Murayama to Halifax for parallel meetings with their counterparts from the G-7, which also include Britain, France, Germany, and Italy.

Takemura may leave Halifax on June 17 when the economic discussions end, but Kono will go on to Paris with Murayama, an official said.

Trade minister Ryutaro Hashimoto is expected to attend and meet his counterparts on the periphery of the summit, following customary procedure, Ministry of International Trade and Industry (MITI) officials said.

Attention is focusing on the Japan-U.S. trade row as both nations have essentially agreed to meet at least on June 12 in Geneva in response to Japan's complaint with the World Trade Organization (WTO) over threatened U.S. trade sanctions.

The auto row will not dominate the Murayama-Clinton session, MITI and Foreign Ministry officials say, but some MITI officials have indicated the biggest current bilateral dispute is a natural topic for the bilateral summit, while Foreign Ministry officials say the spat should not intrude on the top-level talks.

The G-7 gathering is to take up such issues as the crisis in Bosnia, terrorism, curbing the spread of weapons of mass destruction, reforming international organizations, jobs, and currency stability, senior Foreign Ministry officials said.

The leaders will also likely discuss strengthening the WTO, an early warning system for Mexico-type currency crises, protecting the environment, relations with Iran and containing regional disputes, they said.

But the senior officials cautioned that bold, specific moves, such as revising the floating exchange-rate system or explicit action in the former Yugoslavia, would not likely be taken up in a G- 7 economic statement, slated for the afternoon of June 16, or the chairman's political declaration, set for the morning of June 17.

Russian President Boris Yeltsin will participate in political but not economic discussions, and the G-7 will offer support for Russian political and economic reform, the senior officials predicted.

Yeltsin will likely come under pressure to end Moscow's war with the breakaway Chechnya region but such G-7 concerns will not likely be directly addressed in the summit communiques, they said.

After the G-7 summit, Murayama heads for Paris for a summit June 19 with the European Union (EU), held each year in the country that holds that year's EU presidency, officials said.

Before that afternoon meeting, Murayama is to meet separately with EU host nation leader, French President Jacques Chirac, and with European Commission President Jacques Santer, they said.

### Summit Statement To Urge Freer Trade

*OW0606120895 Tokyo KYODO in English*
*1146 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — Strengthening the World Trade Organization (WTO) to promote freer global trade will be one of the major themes to be incorporated in an economic statement to be issued at the Halifax summit of the Group of Seven (G-7) leading industrialized nations next week, government sources said Tuesday [6 June].

The sources said other issues will include a review of international organizations, employment security, environmental protection and financial support for the shutdown of the disaster-prone Chernobyl Nuclear Power Plant in Ukraine.

The annual summit to be held in Halifax, Nova Scotia, June 15-17 will be attended by the leaders of the G-7 nations — Britain, Canada, France, Germany, Italy, Japan and the United States.

The sources said the leaders will reaffirm their resolve to strengthen the WTO, which replaced the General Agreement on Tariffs and Trade as the new world trade watchdog Jan. 1 this year.

The summit participants will seek discussions on a multilateral accord for direct investment through the WTO and appeal for a conclusion of negotiations on the liberalization of financial markets by the end of June, they said.

The Organization for Economic Cooperation and Development has already agreed to conclude the investment pact, and the summit statement will call on developing nations to join the discussions, they said.

The statement will express satisfaction over the recovery of the global economy and stress the need for policy coordination and structural reforms to sustain economic growth without fear of inflation to overcome high rates of unemployment, the sources said.

The summit participants will seek a review of international organizations to restructure and strengthen their functions to contribute to growth of the world economy and stability of foreign exchange markets in the 21st century, they said.

They said the statement will call on the international monetary fund to tighten its inspection of newly emerging markets to forestall currency crises such as the one that hit Mexico late last year.

It will also call for international cooperation to preserve the global environment and prevent money laundering as well as for aid for an early shutdown of the Chernobyl Nuclear Power Plant where a major nuclear accident resulted in widespread radioactive contamination in 1986, they said.

### Deputy Minister Interviewed on Halifax Agenda

*OW0606120195 Tokyo KYODO in English*
*1138 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — Japan wants to address problems involving the proliferation of weapons of mass destruction, reforms of the United Nations and terrorism when the Group of Seven (G-7) economic powers meet next week in Halifax, Canada, Deputy Foreign Minister Hiroshi Fukuda said Tuesday [6 June].

In an interview with KYODO NEWS SERVICE, Fukuda said that Japan definitely wants to discuss these problems at the G-7 summit meeting because establishing mechanisms to secure international peace and stability will be one of the main topics on the agenda at the summit.

Japan should address the problem of terrorism in response to the international community's strong interest in an emerging new type of terrorism as seen in the

Tokyo sarin nerve gas attack in March and the Oklahoma bombing, he said.

He said, however, that the G-7 countries are unlikely to agree on setting up a new mechanism to prevent such new types of terrorism, but would rather agree on their determination to stand firm against terrorism and to exchange information as much as possible.

The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

Fukuda said long-running conflicts in the former Yugoslavia are expected to be high on the agenda for the talks, but the tone of the discussions will be swayed by developments over the next week.

He brushed aside suggestions that Japan will not be able to contribute anything in the debate on the former Yugoslavian conflict.

Although Japan cannot offer any immediate contributions to solve the ongoing dispute, there are strong international expectations that it can contribute to maintaining the cease-fire once it is achieved and in reconstructing the region, he said.

Touching on Russia's role, Fukuda said the G-7 countries agree that Moscow should be included in the political dialogue since it is involved in various international political problems, but that the "general view" is that it is too early to include it as a full member and have it join the economic discussions.

He also said that one of the focal issues of the upcoming summit is how Russian President Boris Yeltsin will respond to international concern over Russia's dispute with the breakaway Republic of Chechnya.

### Doi Presents Quake Aid to Russian Envoy

*OW0606092195 Tokyo KYODO in English*
*0714 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — House of Representatives Speaker Takako Doi on Tuesday [6 June] presented 2.51 million yen in Sakhalin quake relief aid to Russian Ambassador to Japan Lyudvig Chizhov.

Each member of the lower house donated 5,000 yen to the lawmakers' aid fund, officials said.

Meeting with Chizov, Doi remarked that there have been "misunderstandings" in some comments, referring to a charge by Russian President Boris Yeltsin that Japan's offers of aid are linked to Tokyo's demands for the return of four disputed Russian- held islands off northern Japan [Kurils], the officials said.

The Russian asked for Japan's understanding, replying that Yeltsin had already attempted to clarify his remarks, they added.

Yeltsin initially rejected Japan's offers of aid immediately following the quake in the Russian far east island of Sakhalin, saying Japan would attempt to use it to win back the disputed islands.

In a prepared statement Friday, however, Yeltsin expressed regret over his earlier remarks and said he was grateful for the offers of assistance to the victims of the quake.

### Firm Provides Satellite Equipment to Sakhalin

*OW0506092195 Tokyo KYODO in English*
*0856 GMT 5 Jun 95*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — KDD, Japan's biggest international telecommunications firm, said Monday [5 June] it has donated satellite equipment to the quake-hit Russian far east island of Sakhalin to help the region with its communications.

The company has given to local telecommunications firms four portable ground stations through which messages can be received and sent via the Inmarsat satellite, KDD officials said.

### Saito Says Government Considering Aid to PLO

*OW0506113495 Tokyo KYODO in English*
*1054 GMT 5 Jun 95*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — The government is considering whether it can provide official development assistance (ODA) to the Palestine Liberation Organization (PLO), which it does not recognize as a state, Vice Foreign Minister Kunihiko Saito said Monday [5 June].

Saito told a press conference that the Japanese Government is studying "various problems" that arise when providing aid to unrecognized states but that it has yet to decide whether to extend the aid to the PLO.

Japan has a policy of not extending ODA to unrecognized states.

A Foreign Ministry official said grant-in-aid is being considered for the PLO but the amount has yet to be determined.

The grant-in-aid is being considered as part of the 200 million dollars Japan pledged in 1993 to provide over two years to help Palestinians rebuild their homeland, the official said.

Japan has to send government missions before deciding the specifics of the aid, he said.

The business daily NIHON KEIZAI SHIMBUN reported Monday that the government has decided to grant the PLO 3.5 billion yen to build a hospital in the Gaza Strip and provide medical equipment and other assistance.

The cabinet will approve the grant-in-aid to the PLO within the next month, the daily said.

Japan has so far provided assistance to help Palestinians rebuild their homeland through international organizations, including the UN Development Program, and the UN Relief and Works Agency for Palestine Refugees in the Near East.

### Kono, Brazilian Foreign Minister Hold Talks

*OW3005120795 Tokyo KYODO in English*
*1104 GMT 30 May 95*

[FBIS Transcribed Text] Tokyo, May 30 KYODO — Japanese and Brazilian foreign ministers agreed Tuesday [30 May] to arrange a visit to Japan by Brazilian President Fernando Henrique Cardoso in March 1996, a Foreign Ministry official said.

Foreign Minister Yohei Kono and Brazilian Foreign Minister Luiz Felipe Lampreia agreed during their 90 minute-talks to iron out the details of the presidential visit through diplomatic channels, the official said.

Lampreia conveyed a message from Cardoso, saying Brazil's top foreign policy priority is to strengthen its relations with Japan.

Cardoso also said in the message he hopes various events, to be held to commemorate the 100th anniversary of the signing of a treaty on friendship, commerce and navigation between Japan and Brazil, will help "symbolize" strengthened bilateral relations.

The Japanese and Brazilian foreign ministers also agreed that Brazilian Vice President Marco Maciel will visit Japan in November to attend a ceremony in Tokyo commemorating the anniversary of the treaty, while the Brazilian side invited Japanese Imperial family members to attend a similar ceremony in Brazil.

Kono and Lampreia also agreed during their talks that the two countries should strengthen bilateral political dialogue, the official said.

Touching on the issue of reforming the UN Security Council, Lampreia told Kono he thinks Japan and Brazil should both become permanent members of the council because of their economic strength, diplomatic efforts and their attempts at tackling global problems, the official said.

Kono told Lampreia Japan supports permanent council membership for countries with the capacity and willingness to assume global responsibilities in addition to Japan and Germany.

Kono said that instead of endless debates on reforming the council, he hopes a certain direction will be given to the matter this year as it marks the 50th anniversary of the foundation of the world body.

He called for joint cooperation with Brazil for that purpose.

Kono sought Brazilian support for Japan's bid to host the 2002 world cup, soccer's largest event. South Korea is the only competitor in the race.

Earlier in the day, Kono and Lampreia exchanged documents on a Japanese cultural grant-in-aid totaling 49 million yen for a Sao Paulo state educational television station.

The aid will be offered to help the television station purchase videotaping and editing equipment.

### DPRK 'Ready' To Consult ROK on Food Aid

*OW0506234195 Tokyo KYODO in English*
*2306 GMT 5 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — North Korea has informally informed the Liberal Democratic Party (LDP) it is ready to consult with South Korea over rice aid from Seoul, a senior LDP official said Monday [5 June] night.

In late May, North Korean officials visiting Tokyo admitted for the first time that the country is facing a serious food shortage and asked Japan to provide rice. The North Korean officials also said they would accept rice from South Korea if there were no political conditions.

Leaders of the LDP and its two ruling coalition partners have agreed to supply North Korea with rice.

The coalition's leaders also decided to dispatch a mission to South Korea to gain Seoul's understanding of its plans.

South Korea has said it will oppose Japan's offer to supply rice to North Korea while Pyongyang refuses Seoul's own offer to supply the grain, fearing such action would help the North's political objective of opening a rift in Seoul-Tokyo relations.

### PRC Ship To Survey Tsushima Strait for Oil

*OW0606015595 Tokyo SANKEI SHIMBUN*
*in Japanese 2 Jun 95 Morning Edition p 1*

[FBIS Translated Text] The Agency of Natural Resources and Energy [ANRE], of the Ministry of International Trade and Industry, plans to conduct a "basic survey on the development of domestic oil and natural gas resources" beginning mid-June. On 1 June, it was learned that the ANRE will conduct the survey in Tsushima Strait, which is viewed as an extremely important sea area from a military strategic viewpoint, using a Chinese ship. Defense Agency [DA] officials are criticizing the ANRE survey plans, saying: "There is a possibility that the survey could shed light on an important Japanese defense point to a third nation. The survey carries a risk."

Until now, the ANRE has conducted seven of these surveys. The ANRE survey will now focus on Japan's coastal waters and sea areas for five years by 1999. The ANRE will undertake the survey in waters and sea areas around Tsushima Strait; sea areas off Tomakomai, Hokkaido; and on land in southern Niigata Prefecture.

When the ANRE undertakes the Tsushima Strait survey to confirm whether or not natural resources exist on the sea bottom, it shoots compressed air into the sea bottom to receive reflecting sounds through cable receivers and files data for on-board analysis. The ANRE needs a survey ship with a wide rear deck where survey apparatus and other equipment will be installed; the ship also needs to be stable.

Japan had a survey ship, "Kaiyomaru," seven years ago, but it does not have one now. Therefore, the ANRE has offered an international tender to lease a survey ship. The United States bid on ANRE tenders in 1990 and 1991.

This time, China was chosen in the international tender in which the United States, European nations, and China vied. As a result, the ANRE will use a Chinese ship to conduct the five-month survey beginning mid-June.

Like Soya and Tsugaru Straits, other nations' submarines and warships use Tsushima Strait as a "gate" to the Pacific. On many occasions, Russian submarines have secretly passed through the strait for maneuvers in the Pacific.

The DA, which views the three straits as Japan's most important defense points, has been keeping close watch on the passage of warships and submarines through the straits. Equipment and apparatus are said to have been laid underwater in the three straits to detect submarines.

It is feared that the survey will shed light on the detection equipment and their functions to the third country.

The ANRE says: "We are aware that the Tsushima Strait is an important Japanese defense point. We are now consulting with the Foreign Ministry and DA about the planned survey." On the choice of the Chinese ship, the ANRE says: "We have budget constraints so we chose a survey ship of a nation that offered the cheapest lease." Meanwhile, shortly after the close of the international tender, the ANRE notified the DA that it has decided to use the Chinese survey ship. A senior DA official reacted against the use of a Chinese ship, saying: "This is evidence of how other government ministries and agencies are insensitive to Japanese security. Japan's security must come before price."

Military analyst Kazuhisa Okawa says: "The Wood's Hole Maritime Research Institute in the United States, which has contributed to the development of world science, has conducted surveys while maintaining close contact with the U.S. Navy out of consideration for U.S. national interests. However, Japanese ministries and agencies show no willingness to do so. At issue is that bureaucrats lack national security consciousness."

## Government Considering Payments for Depositors

*OW0606061895 Tokyo KYODO in English*
*0526 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — The government is considering preparations to make payments possible to depositors of failed financial institutions within five years, Finance Minister Masayoshi Takemura said Tuesday [6 June].

During a House of Representatives Budget Committee session, Takemura said, "It is important to complete preparations for payments within five years."

Under the current system, Deposit Insurance Corp. has an option to pay back a maximum of 10 million yen in deposits to each depositor of a bankrupt lender but such payments have never been implemented.

The corporation was established by the Finance Ministry and Bank of Japan in 1971. It collects money from member financial institutions to secure deposits in emergency cases.

As reasons for difficulty in implementing payments at present, Takemura cited lack of national consensus, possible credit insecurity because of financial institutions' nonperforming loans and lack of information disclosure by lenders.

Removing those obstacles is a condition for carrying out payments, Takemura said.

Bad loans held by all Japanese financial institutions total around 40 trillion yen, including undisclosed debts with interest rates reduced or exempted, said Yoshimasa Nishimura, director general of the Finance Ministry's banking bureau, during the Budget Committee session.

As conditions for the use of public funds in the case of a failed lender, Takemura mentioned the resignation of management and clarification of its legal responsibility, financial burdens by shareholders and related financial institutions, a thorough rationalization plan and all-out support by related financial institutions.

The day's Lower House session conducted deliberations on lax management at Tokyo Kyowa Credit Association and Anzen Credit Bank, which were dissolved and taken over by the Bank of Japan-funded Tokyo Kyodou Bank.

Banking bureau head Nishimura suggested that a scheme similar to the bailout of the Tokyo-based credit unions may be applied in the future until payments become feasible.

"It should be a measure to be taken in an emergency but there could be a case which cannot help (resorting to it) to maintain financial order," Nishimura said.

Takemura, meanwhile, said the government will strengthen inspection and supervision of credit unions by having regular consultations more often with local governments, which supervise credit unions, and by improving outside auditing among other things.

Takemura also told the parliamentary panel the ministry will encourage housing loan companies, another focal point of the massive bad loan problem, to review their current reconstruction programs.

"I would like to encourage them to start (in-house) discussions so that they can deal with this problem appropriately through such steps as a review of their reconstruction plans," the minister said.

The nation's housing loan companies are now pressing ahead with 10-year management rehabilitation programs designed to write off their huge nonperforming loans and revive their profitability.

At the end of last March, combined bad loans held by the nation's seven housing loan companies are estimated at 6.08 trillion yen.

Takemura denied suggestions, however, that his ministry is considering an infusion of taxpayers' money to bail out the debt- swamped housing loan companies after the model of a bailout scheme applied to the two Tokyo-based credit unions.

Indicating his reluctance to draw public fire for proposing the use of public funds for a similar bailout scheme, he said, "I would like to consider this issue cautiously in light of the direction of public opinion and the future course of parliamentary debate."

In a related development, Nishimura also told the same panel that the ministry will seek to grasp the details of the reconstruction programs now being pushed by the housing loan companies and nonbank financial institutions.

The housing loan companies "need to take proper measures, including a review of their reconstruction plans," he said.

### Komura Urges Use of Public Funds for Bad Loans

*OW0606034795 Tokyo KYODO in English*
*0301 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — The nation's top economic planner urged the government on Tuesday [6 June] to use public funds to help financial institutions and housing loan companies eliminate their nonperforming loans.

"I believe the introduction of public funds is necessary to resolve the problem of bad loans," Masahiko Komura, director general of the Economic Planning Agency, told a news conference.

The Japanese economy "would suffer unless the government pressed ahead" with a proposal to use public funds, he said, adding that the bad loans are impeding economic recovery.

Asked whether public funds should be also applied to bail out housing loan companies with bad loans, Komura said, "you may take my remarks as such."

He said he is still aware of the public outcry earlier this year against the bailout scheme for two now-defunct credit unions — the Tokyo Kyowa Credit Association and Anzen Credit Bank — whose operations were taken over by a publicly funded rescue vehicle, the Tokyo Kyodou Bank.

Komura described as a "misunderstanding" a widely held perception that the bailout was to protect the interests of the two failed credit unions rather than to prevent the financial system being disrupted by a string of possible runs.

Komura also called for tax measures that would reactivate transactions of land plots whose value has plunged since the asset-inflated "bubble economy" of the late 1980s collapsed.

"I believe a tax measure needs to be compiled that would bolster the liquidity of the land market" to solve the bad loan problem, he said.

### Ministries To Help Expedite Bad-Loan Disposal

*OW0206145495 Tokyo KYODO in English*
*1425 GMT 2 Jun 95*

[FBIS Transcribed Text] Tokyo, June 2 KYODO — The Finance and Construction Ministries will establish a project team in July to study ways of facilitating land sales to expedite financial institutions' writeoffs of nonperforming loans, government officials said Friday [2 June].

Huge amounts of bad loans weighing on the earnings of Japan's financial institutions are among the factors retarding Japan's economic recovery, along with the yen's surge and the worsening job market.

Real estate companies, banks and brokerages will be asked to join the project team, the officials said.

The Finance Ministry is also expected to come up with basic guidelines early next week for expediting the writeoffs of bad loans, including use of public funds.

The measures for facilitating land sales include tax privileges and eased restrictions on land purchases, making it possible for financial institutions to sell at low prices land properties they hold as collateral for bad loans.

Bad loans are also blamed for the long-standing doldrums in the stock market by forcing the sale of stocks held by financial institutions in order to dress up their balance sheets.

Many of the loans extended aggressively by financial institutions during the inflated "bubble economy" of the late 1980s turned bad following the bubble's burst.

Such loans are especially squeezing housing loan companies, all of which incurred pretax losses in the latest business year.

Major commercial banks also saw their earnings deteriorate for the year ended March 31, following active writeoffs of bad loans.

### 'Shady' Loans to Yamaguchi-Tied Firms Reported

*OW0206124595 Tokyo KYODO in English*
*1140 GMT 2 Jun 95*

[FBIS Transcribed Text] Tokyo, June 2 KYODO — Two companies run by relatives of former Labor Minister Toshio Yamaguchi received 3.3 billion yen in loans without sufficient collateral from a company affiliated with the former head of a failed credit union now at the center of a scandal, informed sources said Friday [2 June].

In 1991, the two firms obtained 3.34 billion yen in loans separately from Sea-Com Corp., a shipping company affiliated with EIE International Corp. EIE International is headed by Harunori Takahashi, then president of now-defunct Tokyo Kyowa Credit Association.

But the two Yamaguchi-related firms provided as collateral shares, golf club memberships and condominiums worth only about 1 billion yen, the sources said.

Takahashi served as a conduit for the loans, they said.

It is another revelation of shady loans supplied by Takahashi-affiliated companies to Yamaguchi, who is reportedly ready to testify before the Diet on the financial scandal involving Tokyo Kyowa and another bankrupt credit union, Anzen Credit Bank.

Yamaguchi would be the first politician to testify in the Diet on the financial scandal involving the two failed firms.

Yamaguchi, once a senior member of the main opposition party Shinshinto (New Frontier Party), quit the party following the finding of shady loans to companies run by his relatives from the two credit unions.

Prosecutors are investigating a number of suspected illegal loans made by the two credit unions. The former presidents of the two institutions have been accused of breach of trust by extending such loans, knowing they could not be collected.

The Finance Ministry and the Bank of Japan drafted a bailout plan calling for an infusion of public funds to a special bank set up to take over operations of the two failed credit unions.

### Yamaguchi To Return Missing Assets

*OW0206073995 Tokyo KYODO in English*
*0707 GMT 2 Jun 95*

[FBIS Transcribed Text] Tokyo, June 2 KYODO — Former Labor Minister Toshimo Yamaguchi has pledged to return by June 20 all of the missing assets worth some 170 million yen to a foundation of which he is one of the directors, the foundation said Friday [2 June].

Yamaguchi, a former senior official of the main opposition Shinshinto (New Frontier Party), made the promise at a board meeting of the foundation, the year 2001 Japan committee, on Thursday night, foundation officials said.

They said Yamaguchi offered to resign from his post at the foundation over the case.

Yamaguchi admitted some 54 million yen was transferred as loans from the foundation to two companies run by his relatives and 110,000 company shares owned by the foundation with a purchase value of some 120 million yen are also missing, they said.

The latest revelation follows the disclosure of an unauthorized transfer of 50 million yen in assets from the foundation to a company whose president is Yamaguchi's brother.

The money has been found to have been used as collateral for a 50 million yen loan to the company from one of the two bankrupt credit unions at the center of a financial scandal.

The ruling coalition has demanded that Yamaguchi should testify before the Diet over the scandal involving Tokyo Kyowa Credit Association and Anzen Credit Bank as they provided shaky loans to companies run by Yamaguchi's relatives.

The former presidents of the two failed credit unions have been accused of breach of trust by extending loans beyond legal limits while knowing that repayments could not be collected.

The credit unions have been subject to a controversial bailout plan mapped out by finance authorities, which have come under fire for calling for an infusion of public money to a special bank to take over the bankrupt credit unions.

### Diet To Summon Yamaguchi

*OW0506140195 Tokyo KYODO in English 1326 GMT 5 Jun 95*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — The ruling and opposition parties have agreed to summon former Labor Minister Toshio Yamaguchi before the Diet to testify on a financial scandal involving two bankrupt credit unions, Diet sources said Monday [5 June].

If the testimony takes place, Yamaguchi will be the first politician to testify in the Diet on the financial scandal involving the now-defunct Tokyo Kyowa Credit Association and Anzen Credit Bank.

The House of Representatives budget committee's steering board postponed a decision to Tuesday on whether to summon former Defense Agency chief Keisuke Nakanishi in connection with the case.

The opposition Shinshinto (New Frontier Party) to which Nakanishi belongs is opposed to a summons, citing his resignation as a lower house member last month.

The ruling tripartite coalition — made up of the Liberal Democratic Party (LDP), Social Democratic Party [of Japan] (SDP) [SDPJ] and New Party Sakigake [Harbinger] — and the Japanese Communist Party have demanded the summoning of both men because of the alleged receipt by their close aides of illegal loans.

If the talks between the ruling and opposition forces end in failure, the LDP, the dominant partner of the coalition, may try to ram through the committee a move to take a vote on the summons of Nakanishi, the source said.

Yamaguchi, once a senior member of Shinshinto, quit the party following the revelation of shady loans to companies run by his relatives by the two credit unions.

The ruling coalition has demanded that Nakanishi testify before the Diet on the case as he is known to have close links with one of the presidents of the two credit unions.

Nakanishi resigned as a Diet member on May 11 to take responsibility for the arrest of his son for possessing hashish.

In connection with the credit union scandal, 10 people, including the two presidents and former Bank of Japan Governor Yasushi Mieno, have been called to the Diet to give testimony.

### Nissan's Aerospace Division Executive Profiled

*OW0206062595 Tokyo BOEI GIJUTSU JANARU in Japanese Apr 95 p 47*

[Profile of Mitsuhiko Terashima, head of the First Special Aircraft Technology Section of the Special Aircraft Technology Department, Aerospace Division, Nissan Motor Co., by Takeshi Hondo]

[FBIS Translated Text] The Aerospace Division of Nissan Motor Co. is involved in rocket research and development operations of various kinds at our facility in the Ogikubo district of Suginami Ward, Tokyo, including everything from space rockets to rockets for defense purposes. We also have a research testing facility, the Research and Development Center, in Kawagoe City, in Saitama Prefecture near Tokyo. Most of the defense-related projects undertaken by our division are handled by three departments: the Basic Design Department, The MLRS Technology Department and the Special Aircraft Technology Department.

The Basic Design Department is responsible for electronics design and rocket motors. The MLRS Technology Department handles variegated rocket systems, while the Special Aircraft Division is in principle responsible for all other defense projects. One section of the Special Aircraft Division, the First Special Aircraft Technology Section, has overall responsibility for R&D operations. It together with the Second Special Aircraft Technology Section, which is engaged in licensed production and R&D regarding firearms and ammunition, has a total of around 50 members. Head of the First Special Aircraft Technology Section and therefore responsible for future technology planning, as well as planning and systems development, is 41-year-old Mitsuhiko Terashima.

Terashima received his Master of Science degree from the University of Tokyo in 1978 after studying aerodynamics in the Aeronautics Department of the Engineering Division of the university's Graduate School. That same year he joined Nissan Motors and was assigned to the Technology Section of the Aerospace Division. After spending one year with responsibilities in the company's space program, he transferred into the field of defense. Since that time he has been engaged in R&D related to defense equipment.

In March 1983 he was chosen by Nissan as one of ten young company employees to be sent to the United States for advanced training. Terashima was sent to the Martin Marietta Co. for training in systems engineering. During that period, for a year and a half he served as team leader at the company's plant in Orlando, Florida. Of those days, he reminiscences: "I developed a kind of systems mania since (defense) systems were manufactured right there on the spot in front of my eyes. Also, I think that I developed an eye that finds something of interest in just about anything."

The First Special Aircraft Technology Section is working on various rocket-propelled systems, including a land mine disposal vehicle. Other projects it is pursuing include development of missile-control mechanisms and gas turbines for both military and civilian purposes.

Mr. Terashima is primarily responsible for planning new systems and pursuing R&D. Among the projects he is currently concentrating on include "smart bombs" that can detect armor targets with sensors and then direct themselves to destroy them and a new type of rocket bomb, the High-Velocity Projectile (HVP), that will fly at Mach 5 speed. Although these systems in one sense represent refinement of the special features of previously developed ammunition and rocket shells, they also incorporate new technologies. For that reason they can display a previously unknown originality in their systems design.

Another area in which Mr. Terashima and his subordinates are involved is the TVC (Thrust Vector Control) System for controlling rocket propulsion direction. In this regard he says, "This is the first time that Nissan has got involved in this kind of technology. So I am offering ideas of my own and am giving my all to the challenge. But these are the first missile-control mechanisms that our R&D efforts have come up with." Terashima cannot hide his enthusiasm about the future when he says: "I would like to be able to develop and offer to the Defense Agency new high-quality systems that not only have appeal because of their originality and distinctiveness, but that are also economical and easy-to-use."

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## LDP Members Oppose Diet Wartime Resolution

*OW0606043195 Tokyo KYODO in English 0353 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 KYODO — A group of conservative lawmakers from the Liberal Democratic Party (LDP) adopted Tuesday [6 June] a motion opposing a Diet resolution to apologize to Asian nations for Japan's actions before and during World War II.

House of Representative member Seisuke Okuno, who represents the group, told reporters that the LDP should postpone until after the July House of Councillors election deciding the wording of a proposed Diet resolution to mark the 50th anniversary of the end of World War II.

Okuno made the remark amid a row between the LDP and its coalition partner, Prime Minister Tomiichi Murayama's Social Democratic Party (SDP), over the content of such a Diet resolution.

The SDP wants the resolution to include an apology to Asian nations for Japanese wartime atrocities and aggression and has rejected a compromise by the LDP which refers to Japanese colonial rule in Asia, but avoids making an apology.

The SDP says the LDP compromise does not make it clear that Japan is responsible for the wartime aggression and colonial rule.

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## Party Officials Debate No-War Diet Resolution

*OW0606095195*

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 4 June, in its "Sunday Discussion" program, carries a 42-minute roundtable discussion with Taku Yamasaki, chairman of the Liberal Democratic Party [LDP] Diet Affairs Committee; Churyo Mori, chairman of the Social Democratic Party of Japan [SDPJ] Diet Affairs Committee; Kisaburo Tokai, floor chief of Sakigake [Harbinger]; Takenori Kanzaki, chairman of the New Frontier Party [NFP] Diet Affairs Committee; and Iwao Teramae, chairman of the Japan Communist Party [JCP] Diet Affairs Committee. NHK commentator Takashi Yamamoto moderates the discussion.

At 0002 GMT, concerning the conflict between the LDP and the SDPJ over a planned Diet resolution to mark the 50th anniversary of the end of World War II, Yamamoto asks Yamasaki why the LDP is opposed to including in the resolution the phrases "acts of aggression" and "colonial rule." Yamasaki says: "As there are various opinions on history in our party, it is very difficult for us to build a party consensus. However, we are doing our utmost to unify party members' views." Asked why the SDPJ insists on including those terms, Mori replies: "In an accord concluded on 29 June last year, the LDP, Sakigake, and the SDPJ agreed to adopt a resolution to reflect Japan's acts in the past war and to show our determination to maintain peace. The LDP is obliged to keep this most significant commitment." Tokai agrees with Mori and hopes for an early agreement among the ruling parties.

Yamamoto then asks Kanzaki why the NFP's proposal does not include those two phrases. He replies, "Through the party discussion, we reached the conclusion that Japan's remorse for its acts in the past can be expressed without those words." Asked about the JCP's stand, Teramae says: "It is not good to twist the historical fact that Japan forced a war of aggression. If we do not study history in a correct way, we will not be able to create sound history in the future."

At 0009 GMT, Yamamoto explains differences in the expression between the LDP drafts and those of the two other parties. He said: "While the drafts of the SDPJ and Sakigake clearly say Japan committed 'acts of aggression' and 'colonial rule,' the LDP's proposal merely says that 'the Great Powers performed such actions.'" Mori criticizes the LDP for evading admitting Japan's responsibility but at the same time expresses his confidence that the ruling parties will be able to reach agreement through discussion. In response, Yamasaki says the LDP's proposal includes two key phrases in line with the tripartite agreement — 'remorse for the past,' and 'resolve to maintain peace.' He adds: "The Great Powers' colonial rule is historical fact, and it is inappropriate to remove this from the resolution. To express Japan's responsibility from the viewpoint of world history is important." Mori points out the fact that Prime Minister Murayama clearly mentioned Japan's acts of aggression and colonial rule in his policy speeches, which had been approved by the cabinet members, including those from the LDP. He then urges the LDP's compromise on this issue. Yamasaki proposes that those terms be included in a government statement rather than in a Diet resolution, saying it is difficult to unify all Diet members' historical views to issue the no-war resolution, which requires the unanimous approval of Diet members. Tokai and Mori oppose Yamasaki's proposal, saying that adopting the anti-war resolution in the Diet, which is the state's supreme legislative organ, is vitally important to express the Japanese people's feelings to foreign countries.

Teramae says that the resolution should at least express Japan's remorse about committing acts of aggression; otherwise the JCP will not approve it.

Asked about the deadline for the ruling coalition parties' agreement, Yamasaki says: "Although the current Diet session will close on 18 June, Prime Minister Murayama will leave for Canada to attend the Halifax summit on the afternoon of 14 June. Therefore, we, the ruling coalition parties, want to reach an accord before his departure."

Regarding the influence of this issue on the present cabinet, Mori says: "If we fail to reach an agreement, it will greatly affect the fate of the Murayama Cabinet." He then urges that the LDP compromise further to maintain the framework of the coalition.

Concerning Prime Minister Murayama's recent remark that he deals with this issue with grave determination, Kanzaki asks Mori what exactly the words 'grave determination' mean. Mori replies: "The prime minister merely wants to show his resolve to win the Diet's approval for this resolution. Those words do not mean he intends to resign."

### SDPJ 'Does Not Expect' Defeat in Jul Poll

*OW0206090495 Tokyo KYODO in English*
*0850 GMT 2 Jun 95*

[FBIS Transcribed Text] Tokyo, June 2 KYODO — Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ] does not expect to suffer a defeat in the House of Councillors election scheduled for late July, a government spokesman said Friday [2 June].

"I don't expect the SDP to suffer a defeat in the upper house poll," Chief Cabinet Secretary Kozo Igarashi told a news conference, responding to SDP Secretary General Wataru Kubo's remark about the premier's possible resignation if the SDP should suffer a big defeat in the election.

"I therefore have not given a thought to such a thing," said Igarashi, who is a senior legislator of the SDP, one of the three ruling coalition parties.

Kubo, the SDP's second in command, said earlier Friday that Murayama will have to resign as SDP chairman and prime minister in the event of a major setback to the party in the poll.

### Kubo: Murayama Should Quit If SDPJ Loses

*OW0506141595 Tokyo NIHON KEIZAI SHIMBUN*
*in Japanese 2 Jun Evening Edition p 1*

[FBIS Translated Text] Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], commented on the forthcoming House of Councillors' election at a news conference on the morning of 2 June.

He said: "Even if the ruling parties win the majority of seats, I would not consider it a victory [for the SDPJ]." In this way, Kubo indicated that if the SDPJ loses heavily in the election, Prime Minister Tomiichi Murayama will be held responsible be obliged to step down.

Kubo's remark rejects the idea among some ruling coalition members that the Murayama administration should be retained if the three ruling parties together win a majority of seats in the election.

Kubo showed some understanding for the view that Murayama should not be held responsible if the governing parties win a majority as a whole. He said: "Such a view can be used as a criterion upon which the cabinet makes a decision." But he added: "The prime minister is also the head of a political party. This is a fact. He cannot say he does not care whatever the results of the election may be." He thus indicated that if the SDPJ suffers a crushing defeat, Murayama will have to resign as prime minister.

Some ruling coalition leaders, including Liberal Democratic Party Secretary General Yoshiro Mori, have argued that Murayama should not be held responsible, even if the SDPJ is defeated decidedly in the election. When the SDPJ suffered a heavy defeat in the recent unified local elections, Kubo said: "The prime minister should not be held responsible for the SDPJ's defeat in the local elections." However, on the issue of the upper house elections, he maintains that, "based on the principles of party politics, he should consider his future if his party suffers a great loss of public support in a national election."

### Poll: 260 Announce Candidacy for Jul Election

*OW0406074495 Tokyo KYODO in English 0537 GMT 4 Jun 95*

[FBIS Transcribed Text] Tokyo, June 4 KYODO — A total of 260 people from 10 parties have announced their candidacy for the July 23 House of Councillors elections, according to a KYODO NEWS SERVICE poll released Sunday [4 June].

Of the total, 182 will run for 76 seats in electoral districts, with the remaining 78 competing for 50 proportional representation seats, the survey shows.

As of Sunday, the ruling Liberal Democratic Party (LDP) has 56 candidates, the Social Democratic Party Social [Democratic Party of Japan — SDPJ] 32 and the largest opposition party Shinshinto 46.

By the start of campaigning for the upper house poll, possibly July 6, the final tally of candidates will be a little less than the 640 who ran in the 1992 election.

The upcoming election is seen as important for three reasons. It should show how the electorate assesses the ruling three-party coalition and the SDP in particular, how Shinshinto (New Frontier Party), inaugurated only last December, fares electorally and which party benefits from swing votes.

The ruling coalition of the LDP, SDP and new party Sakigake is certain to keep a simple majority of 127 in the 252-member chamber. It holds 84 seats which are not up for grabs in the July race.

Prime Minister Tomiichi Murayama, also SDP Chairman, may have to resign, as SDP Secretary General Wataru Kubo has suggested, if the SDP suffers a huge setback.

The upper house election is tentatively set for July 23 on the premise that the current Diet session ends June 18 as scheduled.

### Growing Political Role of NFP's Funada Viewed

*OW0606061295 Tokyo AERA in Japanese 29 May 95 pp 68-69*

[Article by Toshiaki Miura, member of the AERA Editorial Board: "The Foresight of Prince Funada"]

[FBIS Translated Text] The flow [of power] from the Tanaka to the Takeshita faction of the Liberal Democratic Party [LDP] has been described as predestined and inevitable patricide.

Former Prime Minister Noboru Takeshita threw down the gauntlet and formed a new faction in defiance of former Prime Minister Kakuei Tanaka, who was stubbornly unwilling to relinquish his role as head of the predominant LDP faction, in a successful bid to win the reins of power. In turn, Takeshita was violently challenged by a member of his own faction, Ichiro Ozawa, who then left the LDP. Even in an LDP long accustomed to the usurpation of power by underlings, the Takeshita faction's history is particularly noted for vicious infighting.

#### "I Am Doubly Endowed by My Family"

And now in the New Frontier Party [NFP], it appears that Secretary General Ichiro Ozawa is being challenged by one-time confidant and former close associate Hajime Funada, a leader of younger faction members whose actions reflect a strong leaning toward independence.

As Taku Yamasaki, LDP Diet Affairs Committee chairman, has noted: "In the parliamentary form of government, there is little tension between the legislative and executive arms. Moreover, the scope of executive control is limited."

Says Funada: "The Japanese people have no idea what the prime minister is thinking. It might be better to choose the prime minister through [direct] popular vote."

In a Tokyo restaurant on the evening of 8 May, immediately following the Golden Week holidays, a meeting was held that had reverberations throughout Nagata-cho. Present at the dinner with Yamasaki and Funada were the former minister of posts and telecommunications, the LDP's Junichiro Koizumi; Diet member Kosuke Ito; and from the New Frontier Party, Diet members Seiichi Ota and Taku Yamamoto. While the meeting's ostensible purpose was to exchange ideas and discussions on adopting a system that would allow the Japanese people to elect the prime minister by popular vote, the list of attendees speaks for itself.

Even though Koichi Kato, LDP Policy Research Council chairman, was noticeably absent from the meeting, it seemed evident that the powerful "YKK" trio [Yamasaki, Koizumi, Kato] of the LDP's rising generation, which has never hesitated to display its anti-Ozawa bent, was attempting to establish ties with Funada in preparation for the political realignments sure to follow the end of the Murayama administration.

Funada once described his having a politically eminent family as basking in doubly reflected glory. His great-grandfather and grandfather both served as speakers in the House of Representatives; his father was governor of Tochigi Prefecture. He won his first bid for a House of Representatives seat at 25; Diet members senior to him have called him "the heir apparent" since the days of the LDP's single party rule and he has been courted as a political prince. When 39, he was appointed director general of the Economic Planning Agency in Kiichi Miyazawa's reshuffled cabinet, the youngest cabinet member ever in post-war Japan.

His relationship with Ozawa developed in depth during Funada's tenure as head of the LDP Foreign Affairs Division. Funada's sharpness in grasping the heart of a issue caught Ozawa's eye and Ozawa appointed Funada chief secretary of the Ozawa Study Committee, which spearheaded the debates on [Japan's] international contributions made in the wake of the Gulf war. Funada served as Ozawa's right hand man during the turbulence of the split up of the Keiseikai (Takeshita faction) and the subsequent exodus from the LDP. Following the birth of the Morihiro Hosokawa Cabinet, Funada served as the executive secretary in charge of organization and elections for the new Shinseito [Japan Renewal Party], then as secretary of the Political Affairs Committee, a post on a par with the chairman of the Diet Affairs Committee. He was cultivated as a future leader.

### Differences With Ozawa Become Irreconcilable

The turning point in the relationship [between the two men] came after the [LDP's] fall to the position of an opposition party at the end of last June.

Ozawa was expected to withdraw from public life following his declaration: "The responsibility for the Tsutomu Hata administration's short life lies with me." Instead, he abruptly announced during a news conference in Washington: "In September, [I will] establish a major new party." There followed widespread complaints to which Funada added his own voice: "This is an issue to be resolved internally within the former ruling parties" and "It would be nice if Mr. Ozawa was a bit less visible."

In last December's NFP leadership elections, defying Ozawa's designs to set up Toshiki Kaifu as party head, [Funada] voted for Hata, establishing an irreconcilable difference between the two.

In April of this year, Funada chaired a session of his "Group To Discuss the Prime Minister's Qualifications" comprised of NFP members. There, he advocated electing the prime minister by direct public elections. "By adopting a direct election system, the people will feel closer to the prime minister, and the political party system will also change."

The YKK had long chanted the mantra of direct election of the prime minister and from the trio came a call from Koizumi: "I like what you are saying. And I would like further details."

At the end of April, Koizumi and Funada had a clandestine meeting and agreed that the political powers of the ruling and opposition parties in the future could not be thought of as givens. This eventually led to the meeting on the evening of 8 May where it was agreed that there should be future discussions not only on the popular election of the prime minister but also on the political arena's encompassing restructuring. Furthermore, promises were made to meet again on 17 May with 10 Diet members from each of the two parties.

However, the NFP leadership rejected the proposal. "Discussions on popular elections for the prime minister would be irresponsible without also defining the relationship with the imperial system" (Takeo Nishioka, NFP overall coordinator).

"I would like to see further in-depth study. Popular elections for the prime minister would involve amending the Constitution and an enormous impact on the political system" (Ozawa).

### Speaking for the Dissatisfied Young Politicians

The reason these people are so sensitive about Funada's words and actions is because Funada is the likely head of the core younger [Diet] members who do not like the way the party is run, and who may very well disrupt party unity before the July House of Councillors elections. Problems associated with the [bankruptcy of the] two Tokyo credit unions led to former Deputy Secretary General Toshio Yamaguchi's resignation from the party, while former Election Division chief Keisuke Nakanishi resigned from the Diet following his eldest son's being taken into custody for possession of hemp. This series of blows has weakened the centrifugal force of the NFP.

Complaints that "It was not supposed to be like this" run rampant throughout the party, not the least among the younger representatives. Loss of the political regime means the anticipated boom days of the so-called "new parties" have yet to materialize. And it appears that all decisions are made by a mere handful of men led by Mr. Ozawa.

"The party situation is pretty bleak. The secretary general handles problems his usual way — through backroom dealings" (NFP Diet member).

The rising expectations surrounding Funada can be read as a message [from the younger members]: "Give us more power."

However, it is a reality that this young group could also ignite political restructuring. Everyone believes that the Tomiichi Murayama administration is on its last legs. It is a certainty that the Socialist Democratic Party of Japan [SDPJ] will experience a crushing defeat in the House of Councillors elections. It is also conceivable for the cabinet to resign en masse, either over the issue of responsibility or the prime minister's will power.

The YKK's courtship of Funada is most popularly seen as: "They want to show they have some insurance if and when the SDPJ bows out of the picture" (a senior NFP official).

Funada himself noted in an interview with a monthly magazine, in a comment that shows his preparedness to deal with quickly changing political conditions: "If, facing a situation where internal consensus cannot be achieved, yet finding that discussions reveal clear common ground with, say, a group within the LDP or a certain part of the SDPJ, I would regard it as perfectly acceptable to cross party lines to forge a common understanding."

### Carefully Awaiting His Turn

The YKK views Funada with no light regard.

"He is trying to cast off his earlier close association with Mr. Ozawa and become an independent politician. He is welcome to use the YKK to that end" (Koizumi).

"Mr. Funada will probably go independent. His future depends solely on his abilities, and on how large a group gathers around him" (Yamasaki).

Expectations are rising. These statements are made with the possibility of a new conservative-conservative alliance in mind.

Yet Funada has never been one to jump on the bandwagon of such thinking without due consideration. After the 8 May meeting, in refuting the NFP leadership, Funada merely noted: "Discussions on electing the prime minister by popular vote amounts to no more than a discussion of policy."

Around the same time, Diet member Katsuya Okada, an NFP member whose line of thinking is said to parallel Funada's, openly declared: "There are some who feel Mr. Funada would provide a great rationalization to leave the party. The situation has gone beyond what your real intentions are, Mr. Funada."

Funada: "I think I have my foot on the brake."

Okada: "The perception is that your foot is on the accelerator. If you are trying to brake, you are going to have to push down a lot more firmly."

However, the 17 May meeting, which had attracted so much attention, took place as originally promised. Eleven LDP members and nine from the NFP assembled and also agreed that meetings would be convened whenever necessary. Koizumi told a news conference: "I would like to continue having exchanges of opinions on issues, including the stinking state of political affairs." To which Funada added: "It is important to hold free discussions on the current state of politics." However, Funada did not neglect to state before a second news conference later that afternoon: "This is not work toward a conservative-conservative alliance."

Funada is consciously and carefully controlling pressure on both brakes and accelerator, controlling when he will make his move.

An NFP Diet member who has observed Funada from close quarters since the days of the Takeshita faction, has this to say: "In the breakaway from the Keiseikai, Funada led but maintained his perfect calm. When there is something he wants to get done, he will do it."

## Voting Behavior in Local Elections Analyzed

*OW0606045395 Tokyo BUNGEI SHUNJU in Japanese Jun 95 pp 168-174*

[Article by Susumu Nishibe, chief editor of monthly magazine HATSUGENSHA: "The Reason Ignorant People Have Chosen Fools"]

[FBIS Translated Text] It is evident to everybody that politics in Japan have been chaotic, confused, and unclear for at least eight years since the last year of the Showa period [1988]. Since our nation's politics are supposed to keep falling short of our expectations, nobody would be surprised when an unexpected remark is made in the political world, nor when there is a sudden change in the situation. How long this perversion in which abnormal becomes normal and normal becomes abnormal will last cannot be predicted. One thing that is clear is that a civilization that repeats perversion as automatism, even though the perversion may accompany some fun, is no doubt ill.

Then how should we interpret the recent "panpakapaan" [a word once made popular by Osaka Governor Nokku Yokoyama] appearance [appearance with fanfare] of the so-called "talent" or television celebrity-turned politicians, who are well known because they are also actors, as governors of Tokyo and Osaka. Should we find the fun of political perversion in this, or should we sense clear signs of political pathology? I think it is the latter. If we understand the situation in which crisis is steadily approaching both at home and abroad, we have no time for having fun at a theater to begin with.

Political parties that are allying and merging in national politics are fighting and estranging from each other in local politics. This is referred to as "nejire" [twist]. Political parties that had been at odds yesterday are suddenly reconciled today, and this is called "ainori" [grouping together (for the sake political expediency)]. The mass media unanimously commented on the recent unified local elections that "the voters revolted to the interests of existing parties that specialize in 'nejire' and 'ainori'." What an opportunistic commentary this is. The public that is accepting such a media view must also be very haphazard.

While the "non-Liberal Democratic Party" [LDP] coalition under the Hosokawa government was a grand picture of "ainori," the media-led public opinion (that is, the public opinion guided by the mass media) support rate was nearly 80 percent. With respect to the Murayama government's "LDP-Social Democratic Party of Japan" [SDPJ] coalition, although the media-led public opinion criticized it as an alliance of convenience for a while, the LDP-SDPJ coalition was tacitly admitted since the public was unable to judge the difference between it and the alliance of convenience under the Hosokawa government. And right after this great alliance of convenience came the establishment of Shinshinto, which may be called the greater alliance of convenience. In other words, the way an alliance of convenience is formed has progressed from "coalition" to "merger."

Local politics did not necessarily adapt itself to the trend in national politics, which has been encouraged and accepted by the media-led public opinion. As a result, "nejire" has become an everyday experience, and there is even a party that calls its group in national politics Team A and that in local politics Team B.

Of course, established political parties should be held responsible for such a mess, but it is the media-led public opinion that asked for it and forced it. After all, the political reform that the media-led public opinion demanded so much has just brought confusion into politics. Then, the media-led public opinion itself should be held responsible for at least 50 percent of the cause of "voter distrust of established political parties." I would say [to the existing parties] that they should be ashamed of themselves to kneel to something like media-led public opinion. In any case, I do not think that those people who had danced the dance of political reform to the media-led public opinion's tune are entitled to express "distrust of existing political parties."

### Ignorance of Issues and Indifference to Personalities

In a sense, political selection means to reveal one's affiliation to a party. If there is no party that one would like to be affiliated with, he will establish a new party, or at least, assume such an attitude. That is what a commitment to politics is.

When there is no party that one wants to support, and he does not have the ability to create a new one, there is nothing he can do. However, he should never be proud of it. The situation in which a ridiculous expression like "the victory of unaffiliated voters" is regarded as appropriate must be clear evidence that society is becoming politically impotent.

If a person has a clear opinion on a variety of "issues" on political ideals and policies, and — even when he cannot make a judgment on the ideals and policies — if he can somewhat judge a politician's "personality," then he will want to chose a party (including one he may establish). In other words, if one is unaffiliated with a party, and he does not feel uneasy about it, this means he is ignorant of political issues and indifferent to politicians' personalities.

Expanding this void in knowledge and interest is the very thing that the media-led public opinion has done.

If the "nejire" and "ainori" becomes a normal situation, it is almost evident that the electorate will not be able to gain proper information because there will be no argument between political parties.

What about the indifference to politicians' personalities? The continuous exposure of political scandals, especially the disclosure of politicians' privacy by the media, has spread the impression among the public that "there is virtually no man of character in the political world."

That is no wonder because personality consists of a person's privacy covered with persona, and when this mask is stripped off, most people will not be a person of character unless they are a wooden figure. In addition, amid the roar of mass democracy, politicians have started to appear on television in an attempt to somehow carry their voices to voters. A TV image can show that even a politician of a very high status is just a worthless person as a matter of fact. In other words, he was too naive on TV to display his acting skills that could make his unworthy personality look worthy. Such has been the present state of the tribe called politicians.

If neither political issues nor a politician's personality are significant — that is to say, if one's impudence to make the fact of nonaffiliation with a party one's selling point can pass unremarked — then voting behavior will respond greatly to a small stimulus. When the stimulus is something that is able to stir up a vague mood about political issues and an ambiguous image of a politician, the response could grow large enough to control the future of a big city with a population of 12 million.

However ambiguous Japan may be, its people are not so stupid as to not know the following: That is, we know politics is the fight between political parties over various issues, and this tug-of-war is played as the performance of personality in which party-leading politicians stake their lives. The reason people pretend to be ignorant of the above and say unaffiliated is the best party must be because we make light of politics. After all, we figured that it would not be a bad idea to make fun of fish-like politicians since we make light of them anyway — so, grind them up with "mood," and season them with "image," and here we have a boiled fish paste of politics.

### Media-Led Public Opinion's "Mood"

Amid a succession of incidents such as the Great Hanshin earthquake and the sarin gas attack on the Tokyo subway system, it seemed like everybody has been pointing out the significance of "crisis management." Among the postwar Japanese, who lack a sense of crisis, many have started to expect that a serious fate of history awaits them. Talking of myself, well, I am one of them. Moreover, the whole country had been placed under quasi-martial law due to the sarin incident when the local elections were held. While it alters the case if they had announced a good crisis management plan, is it not common sense to judge that there is no way TV-celebrities-turned politicians are suited for crisis management politics?

I am not asserting that [Tokyo Governor] Yukio Aoshima or Nokku Yokoyama do not have a talent for crisis management. Just nobody is informed whether they do or not. The word "talent" as used in Japanese means the ability to entertain viewers, spectators, or readers in the mass media. On the other hand, a situation where one cannot afford to have fun is called "crisis." Therefore, the fact that the voters — who merely recognize Aoshima and Yokoyama as "talent" or TV celebrities — have set them up as the heads means that citizens of both Tokyo and Osaka are living in peace without a sense of crisis.

This may be the present state of affairs in the megalopolis. The electorate who live as a "solitary crowd" in a city structure that has become gigantic and complex may have no room left in their mind to continuously accommodate something like a sense of crisis. They are perhaps content if they can just spend today happily to the rhythm of "panpakapaan."

Anyway, what is clear is that people's formation of images is becoming fragmentary and unstable. As when we watch television, the crisis image of a short while ago can smoothly shift to the image of security just by the on and off of a switch. Even if people were frightened by the thought of crisis yesterday while they sleep today feeling secure, this cannot be criticized as leading a double-tongued life. Their own world of image is scattering into a great variety of pieces, and they have no choice but to desperately move between all those fragments. Therefore, the incoherence of human words and the inconsistency of his action — that is, to live as homo demens (human being that is mentally deranged) — are regarded as meeting the demands of the times. In short, a person who tries to live in the opposite way, like me, is considered an uninteresting man of anachronism.

It is not difficult for me to pose as homo demens, like a group of post-modernists did in the eighties. However, seriously following the path of derangement is an impossible proposition. If one does such a thing, his personality will split over and over again. What is it that somehow or other "unites" the fragments of an "image," which is about to break up in all directions within an individual, and maintains this unity? It is the media-led public opinion's very "mood. For example, if the way crisis management is discussed and the way TV celebrities-turned politicians are discussed are linked to the media-led public opinion's mood, the two seemingly irrelevant topics become related.

I think this mood is a sort of what can be roughly described as "power criticism." On the surface, there seems to be a big difference between heatedly debating crisis management and casting a vote for a TV celebrity-turned politician while whistling, but it is not really so on the other side. In other words, to argue that the Murayama Cabinet does not have the crisis management capability, and to claim that established political forces are not determined to promote local autonomy are synonymous on the point that they are both criticisms of power. The mood of power criticism that any and every power (in relation to whether crisis management or local government) are all corrupted forms the common ground for almost every speech and action.

Recently, the form of power criticism has been shifting from a "sa-yoku" [left-wing] one to a "sa-rin" [next-door-to-the-left] one. That is to say, Aoshima and Yokoyama had sensed that if they take their stands a little next to the left and criticize the authorities in the so-called "grass-roots advocate" pose, No. 1, no one will blame them; and, No. 2, they will easily receive votes in a situation where the power is to blame. How impressive their 24-year experience of being next-door to the left can be.

### Established Parties' Distrust of Themselves

On 14 April, Shintaro Ishihara resigned as a House of Representatives member. His resignation speech impressed many people. While young people many not remember nor have been told, he is the one who once ran against Ryokichi Minobe, who may be called a very typical example of hypocritical "grass-roots advocate," in the Tokyo gubernatorial race. Had Shintaro Ishihara, not Nobuo Ishihara, former deputy chief cabinet secretary, ran against Aoshima, he could have won. First, he was well-known; second, his good looks; third, his achievements as a writer; fourth, his long and brilliant political experience.... If the points are counted in this way and totaled, Shintaro Ishihara would rank in Sanyaku [the three highest ranks below yokozuna or grand champion in sumo], and Aoshima would be a low-ranking maegashira [the lowest level of wrestler in the top division]. Nobuo Ishihara would rank high in Juryo [the second top division in sumo], just for your information.

However, it was impossible for Shintaro Ishihara to run for the gubernatorial election probably because of the trouble left from a past quarrel between parties. I referred to Shintaro Ishihara because I wanted to point out the dullness of established parties. It is better not to become a politician if one does not have the vitality and ability to closely and severely question the unstable image among voters and the slip-shod mood in the media-led public opinion. Nowadays, politician is the last occupation for those who want to work in a quiet and admirable way.

While Shintaro Ishihara, and perhaps former Foreign Minister Koji Kakizawa, must have had the energy and talent to fight such a doubtful present situation, established political parties ruin such able people in an obscure way. The parties venture to select a candidate with not much ability, and then they do not even seriously support the candidate. This seems to be the recent trend of the existing parties.

Is not the established parties' distrust of themselves more problematic than the electorate's distrust of the existing parties? Beginning with the trauma of war defeat, postwar Japan has been suffering from self-distrust in retrospect. This is the psychological impasse that the people, who have done nothing but adapt to the surrounding circumstances without confirming their own national identity, fall into. The established parties should have chosen a person who could let in some air on this adapting-to-the-circumstances principle as a candidate, and should have wiped away their self-distrust in the course of supporting him.

It is only natural that voters look upon the parties that are harassed with self-distrust with distrust. Although Nobuo Ishihara appeared to be a man of sincerity and diligence, such is an ability that is good for a bureaucratic adaptation to the immediate situation. If faced with a task of handling the situation positively, probably he would be at loss. In other words, the established parties have made a mistake in the selection of a candidate. When the ancien regime falls, it disintegrates mostly in this way.

While I do not have time to mention it at full length, self-destruction (resulting from self-distrust) is taking place in all parts of politics, bureaucracy, and business. However, this does not mean that the mood of "power criticism" by the media-led public opinion has ruled society. The power criticism loses its target and autonomy when the very power enters the stage of self-destruction. I think a very deplorable situation of the "autonomy of those who lost autonomy," which Japan's democracy has arrived at, is well reflected in the weird situation where TV celebrities-turned politicians become the heads of giant self-governing bodies.

### "Mr. J Is Charming"

The appearance of a playhouse actor on the center stage of politics reminds me of a saying: "Democracy is comedy." In a political drama of democracy, it is true that politicians as players continuously perform the limits and errors of a human being, and voters as the spectators ridicule or laugh at them. When a comedy is a good one, it reveals the depths of human nature in a subtle way, and as a result, there are cases where pathos — that is, a fine sense of sorrow — can be found in the laughter. In any event, since democracy's theatrical structure is that of comedy, if one keeps an easy-going attitude like "Viva democracy," democratic government as slapstick comedy will prevail. The recent local elections appear to be an obvious sign that the situation is becoming so.

In contrast, totalitarian government has the structure of tragedy. Manipulated by history's irresistible dynamics, both dictator and the people obeying him, in most cases, fall into the bottomless pit. Since being defeated in the war, the Japanese have not been able to experience this tragic rule. The postwar Japanese can only imagine a soap opera-like tragedy at most, and this fact well matches the trend of democracy becoming slapstick.

What one should bear in mind is that totalitarianism is a transformed form of democracy. The majority in society welcome a dictator with enthusiasm, or bend their knees to him due to their loss of spirit. Thus, the reality of democracy can be said to always have the potential for totalitarianism at its root. The reason a faint scream is heard in loud laughter under slapstick democracy (that is, mobocracy), and why the joyful laughter for selecting strange governors will soon turn into a bitter smile must be because the people half unconsciously sense the potential for totalitarianism.

Well, totalitarianism is not the appropriate word. What we have now is a mixture and a blending of democracy and totalitarianism. I would like to call this, "popularism." Then, the problem is that popularity has fragmented and become unstable. People no longer try to make a talented person popular by devoting all of their intelligence and moral character. The present popularity is short- lived like temporal shimmering of heated air or a mayfly.

I am writing this article at lodgings in Canterbury, UK, listening to the song of little birds at dawn. In the pretty birds' twittering I recall the disgusting words of young Japanese women that I heard at Narita Airport yesterday. "Mr. J is charming. I watch him on TV, and he is lovely every time." Mr. J is the spokesman of a religious group that is strongly suspected of being involved in the sarin attack in Tokyo's subways.

What is the biggest reason the images of others and of the future spread inaccurately? It is the fact that the images of self and the past have not been established. No, it is even worse than that. "Self" now merely means a casual idea, an occasional desire, and an action forced by circumstances. And "the past" is just the pieces of memory that rise disorderly from dim consciousness — like methane gas that bubbles from a swamp — and the flow between such fragments.

It almost does not matter who the Tokyo or Osaka governors are. In short, it is just a matter of further confusion in Japanese politics, which has already been chaotic enough. However, we cannot turn a blind eye to the terribly slack image of ourselves reflected there. J. Ortega once said: "The masses drag down anyone who is talented one after another, and lament in the end whether there is any gifted person in the world." If this is true, Japan, the highly mass society in which we live, might be a sort of endless hell after all.

## Seven SDPJ Defectors Form New Diet Bloc

*OW2905090995 Tokyo KYODO in English 0804 GMT 29 May 95*

[FBIS Transcribed Text] Tokyo, May 29 KYODO — Former Social Democratic Party (SDP) [of Japan, SDPJ] Chairman Sadao Yamahana and six other SDP defectors formed a new parliamentary bloc called "Minshu-no-Kai" (Society of Democracy) in each of both houses of the Diet on Monday [29 May].

Participants in the new bloc are Yamahana, Ryuichi Doi, Shigeru Goto, Ikuo Horigome and Kenji Yoshioka, all House of Representatives members, as well as House of Councillors members Shoji Motooka and Tetsuo Kitamura.

The legislators were members of the SDP's now defunct secessionist group headed by Yamahana that tried in vain to create a third political force to compete against the Liberal Democratic Party, a dominant member of the tripartite ruling coalition, and against the main opposition party Shinshinto (New Frontier Party).

Goto expressed hope at a press conference that his new bloc will join the SDP's internal forces aiming to transform the party.

"We will seek a way to play a role in 'democrats and liberals' by making sure of the direction of the SDP," Koto said.

Regarding the SDP's request for cooperation in managing Diet affairs, Goto said that the new bloc should try to work with those in the SDP who are willing to work hard.

At an extraordinary party convention Saturday, the SDP, headed by Prime Minister Tomiichi Murayama, adopted a manifesto and an action program in a step to transform itself into a new party after an upper house election in July.

### Former Aum Member Discusses Leader's Powers

*952B0167A Tokyo SHUKAN BUNSHUN in Japanese 6 Apr 95 pp 42-48*

[Article by Shoko Egawa]

[FBIS Translated Text] The police investigation is gradually getting to the core of Aum Shinrikyo. Since the forced search of 22 March, most of the top leadership, beginning with founder Shoko Asahara, have gone into hiding. The cult is feverishly trying to cope, having called back Russian branch director Fumihiro Joyu, who is described as the best in the cult in terms of being quick thinking and fast talking. However, even such a shrewd person as Mr. Joyu, who previously had been able to get the better of some lawyers, is somewhat lackluster in the face of the fact of the confiscation of large amounts of chemicals.

Amid those events, we met with one former Aum Shinrikyo senior member. In media coverage, suspect Takeshi Matsumoto, who was on the most wanted list in the incident involving the abduction of Meguro notary office manager Mr. Kiyoshi Kaya, is being referred to as a "senior" member, but that suspect had not even been provided with a "holy name" characteristic of the cult and seems, at least ostensibly, to have been merely an organizer of lay followers in the district. However, when he was a cult devotee, the man who spoke with us this time was one of the genuine senior members who had earned the title of "great teacher." Great teacher is a designation that can only be bestowed on one after being recognized by the founder Asahara for having attained a certain level in ascetic practices. (Currently the titles have become more subdivided.)

"Actually, I should speak up after having first revealed my name, but the substance of what I am about to say will reveal my identity to the Aum people," so we will call him Mr. A (28).

"There is no Aum Shinrikyo without Mr. Asahara. There is no one who can take his place," asserts this former senior official. This would seem to indicate that the only way for the cult to preserve its organization is for it to assert that followers were accumulating toxic substances on their own while founder Asahara was unaware of it, but Mr. A flatly rejects that possibility.

"Among the Aum people, the critical matters are always decided by the founder. It would be utterly impossible for him to be unaware of such things."

Mr. A, who originally had an interest in the spiritual world, became acquainted with Aum Shinrikyo as a junior in college. The opportunity arose when he picked up one of founder Asahara's books at a bookstore. Since then he eagerly attended the training center and after three months at the beginning of 1988, he renounced the world to become a cult priest. Says Mr. A, "Their spiritual training system was strong and things were good at that time." One year after joining he attained "kundalini yoga." For this he received a certificate from founder Asahara and became a great teacher which qualified him to gain experience by being branch director in regions nationwide.

### The Prophesy Seminar Fiasco at Ishigaki Island

A change in the Aum cult came in the summer of 1989. The LDP was soundly defeated in the Upper House election and rumors were flying about that the Lower House would dissolve within the year and that there would be a general election. Ultimately in February 1990 there was a general election.

"It was decided that a political party called Shinrito [Supreme Truth Party] would be formed to run in the election centered around Mr. Asahara. The way Aum did things around the time of this election represented a turning point in becoming something that was significantly at variance with what I was looking for.

"In the advance movements, a positive atmosphere was created for Aum in performances using balloons and stuffed dolls. However, in the ensuing Aum bashing campaign waged by SANDE MAINICHI, only the unpalatable parts of Aum—the parts that the ordinary person cannot understand—were emphasized, so the tide turned against Aum, and it came to be detested by the ordinary person. That feeling intensified with the incident involving attorney Sakamoto. After these two events, the gap I felt continued to grow wider and wider."

What is this gap?

"The biggest thing is the target of salvation. Up until then, salvation of all people was held up as the great objective, but that changed to a feeling that perhaps only a segment of people can be saved. That is, it came to the point that only those people who are members of Aum would be saved and everybody else would be cut off. Actually, the whole movement of Aum went in that direction.

"About the time I was feeling that something was different, I ended up being called up to do some strange work."

"Work" refers to jobs within Aum Shinrikyo. Discussion about that "strange work" began in April 1990 after the general election, just after Aum believers assembled in massive numbers at Ishigaki Island, Okinawa, to hold a prophesy seminar.

Mr. Asahara "prophesied" that various calamities would occur, such as natural disasters, atomic explosions, and attacks using biological weapons in Japan as well, which would be due to the influence of Austin's comet that was approaching the earth at that time. Yet at that time it was announced that Ishigaki Island was safe, and naturally followers issued urgent instructions to allow their families and friends to participate in this tour sponsored by Aum. Moreover, at the application stage the exact destination had not been clarified to the followers.

According to a former follower in Kansai: "At any rate, having been told to assemble, I went to the Osaka branch where we were taken together on a bus to the harbor. From there we were put on a boat and ended up arriving on Ishigaki Island."

**Ordered To Do "Secret Work"**

The followers put up their tents at a publicly run camp ground on the shore of the island. When I [Egawa] landed on the beach to check out the situation, a person close to the founder named M approached me from behind and uttered an old-fashioned threat, saying: "It is not just a moonlit night." It was broadcast that "Ms. Shoko Egawa of the SHUKAN BUNSHUN has come," and I was instantly surrounded by several hundred people.

It turned out that the meeting place was not properly reserved, and on top of that, the event had been called off due to the weather. A person who "had been an Aum Shinrikyo follower for many years" wrote the following of his experience at this prophesy seminar.

"To make a long story short, the current eastern European upheaval was influenced by Halley's comet in 1986, and they just said that something would happen due to the proximity of Austin's comet this year. Just to hear this, we paid as much as 300 thousand yen, took time off from our jobs, and some people even went so far as to leave their jobs to come to Ishigaki. Isn't that just ridiculous?"

If there was really impending danger, details of its nature should have been communicated more widely to the general population. However, Aum only took those people who would follow to Ishigaki Island, which Mr. Asahara had judged to be "safe" and told no one else. Even when observed as an outsider, it seems certain that the attitude sensed by Mr. A that "only Aum followers will be saved; those who do not come to Aum will not be saved" became conspicuous at this point.

At the time, the central part of the cult was the Mt. Fuji general headquarters in Fuji City, Shizuoka Prefecture. Even Mr. A after the tour was doing work here that included preparation of Aum meals that mainly consisted of unseasoned vegetables cooked in water.

"Since prior to Ishigaki Island, it had been rumored among devotees that they were doing something at Kamikuishiki, but no one knew what. Kamikuishiki did not have Satians as they do now but had just gotten the prefabricated structures built. It was known that a few people were frequenting those buildings. When I asked one person close to the founder about it, he just said something like 'nothing really' and would not tell me."

Then he was summoned to Kamikuishiki by M after the Ishigaki Island tour.

"Alongside the large prefab structures was another small prefab building that was only about eight to 10 mats in area with a tatami mat situated in the middle. Inside was the founder Asahara sitting imposingly in a legless chair with M at his side.

"Then Asahara said to me are you willing to risk your life?' Because I had been feverishly doing (the Aum work and ascetic training), I answered yes.' Whereupon Asahara said, 'All right then, M, give him his instructions.'

"This was secret work in which only selected senior members could participate.

"I was taken by M to a large prefab building and on the left side of the entrance was hanging protective clothing. It was a color that was somewhat more of a flesh color than orange. There was even a helmet, so it was almost like a space suit. I was told to wear that while I did my work. Inside there was a pool-like water tank which was partitioned into three or four sections. The temperature inside the water tank was being controlled by liquid nitrogen that was placed on the outside. There was also a humidifier to keep the humidity inside the plant constant. The liquid inside was being drawn up from the water tank by a pump, passed through a filter and put into a white, 18-liter, round PVC container. My job came in at that point, and it was to pour the brown muddy liquid in that PVC container into a large tray for vacuum treatment, heat treatment, and drying.

"It was to be made into a powder using a pulverizer, but that work did not seem to go too well.

"I was not told what was in this liquid, but it is certain that it was toxic. By all accounts of what various people who were there said, it seems that they were cultivating anaerobic germs. Caustic soda was also prepared, and I was told to sprinkle that on the other substance if any fell on the floor while transferring it from the PVC container to the tray."

Inside the prefab buildings, rats were also being raised for experiments. The completed powder was sprinkled on them or liquefied and injected to test its effect. "Nevertheless, no matter how much we tried, none of the rats died. They were saying, 'Why aren't they dying?' Their spirits were not calm. In any event, when it was converted to powder, the dust would float around in the air and even though we wore the protective outfits, it would shake off when we took them off, so if the substance had been right, we would have died. Even though I said I would risk my life... All it took in the end was for the Master to utter the one phrase to another great teacher of 'let's stop,' and that was it. I was so relieved."

### Senior Members Who Took Part in Experiments Disappeared

Participants in these "experiments" were extremely few and, moreover, only senior cult members.

"There is a specialist in genetics named E. He is the person who came up with the 'initiation of love'—drinking a water-diluted solution of the Master's DNA cultures. The others were only those close to the founder. There was K (real name H. I.), S (E.I.), U (K.T.), P (T.O), M.M. (H.M.), etc., the majority of whom ran in the election. Some, such as K, U and P worked with me wearing protective garb."

Founder Asahara at that time frequently "prophesied" that Japan would be attacked with nuclear weapons, germ weapons, etc. As a countermeasure, it was announced to followers that shelters were being built at the branch. However, the shelters were shabby because all they did was to put up vinyl sheets around the interior of the training room, make some double doors, and install air purifiers.

"I thought it was a self-fulfilling prophesy. It is thinkable that they made the prophesies and then caused them to happen themselves."

Since before the recent sarin suspicion occurred, the Aum side had been insisting that they were being subjected to poison gas attacks and that their followers were being harmed. Actually, there is also testimony by a former follower of observing a white misty vapor and coughing and feeling a choking sensation. Followers with severe symptoms were given doses of atropine sulfate which is also an antidote for sarin.

Large air cleaners have been installed in each of the cult facilities, and Cosmo cleaners, which are poison gas filtration devices, have also been installed—all said to be founder Asahara's idea. There are almost no windows in the buildings. Their assertion is that these countermeasures are for protecting followers from any poison gas attacks from the outside, which, according to Aum will all be perpetrated by the U.S. military, Japanese state authorities, etc.

In fact, however, large quantities of deadly poisons, including chemicals that serve as raw materials for sarin, are being concealed inside cult facilities. There have been no injuries among neighboring residents outside the cult. This being the case, it would seem natural to take the view that those followers who had symptoms were not being affected by attacks from the outside but had breathed gas that had occurred internally.

"It hit me when I looked at the YOMIURI SHIMBUN dated 1 January covering detection of sarin residue at the village of Kamikuishiki. It seemed to be in keeping with what I had experienced. If they are really making sarin, it could well be that there were people injured inside the cult, even without reference to the slipshod way of doing experiments of my experience. Thinking that there must not be any more damage done to people, I decided to speak up as I am now."

It has become evident that it is theoretically possible for sarin to be produced with the chemicals confiscated from inside the facilities the police searched. However, actual sarin itself has still not been discovered. Undisclosed agitators of Aum are in all regions of the country. The investigation has still not made it to that point.

"Senior members who participated in the same experiments that I did have all disappeared. That weighs heavily on me. Many followers are not supposed to have been informed of any facts. Those people must be searched for as soon as possible..."

Mr. A quit Aum in July 1992.

"When I was on a business trip to Gunma, a person next to me got hit by a car. Yet, because I was on cult business, I just kept on going. I hate the way I was then. I, who was supposed to want to help others and have a desire to save human kind, had ended up this way while inside the Aum cult. Because I was feeling a gap between the gradually changing Aum and myself, I told the founder 'I am sorry,' on the phone and never returned again. Because I knew they were searching for me, I went into hiding for awhile."

In this recent incident, the police would probably put all their energy into determining whether sarin was really produced at Aum facilities, whether they used it, and, if so, who carried out the crime. And there were numerous problems regarding Aum, such as the rescue of Mr. Kaya, suspected in the attorney Sakamoto case;

the case of the abduction and confinement of millionaire Miyazaki; and others that must be solved. What must not be forgotten is Mr. Asahara's role.

In 1990, an investigation of a land acquisition incident in the village of Namino in Kumamoto Prefecture in which Aum was questioned regarding violations of the Land Act ended merely with the arrest and indictment of four senior members, including attorney Yoshinobu Aoyama, and the investigation did not extend to the leader Asahara. The Aum side asserted its innocence, saying, "we did not buy the land but merely received it as an offering," but the explanation that a person who was not even a believer donated vast properties to Aum was not persuasive.

### Only the Founder Has Decision-Making Authority

Be that as it may, a consistent characteristic of arrested senior members is the fact that they do not admit that there were any directions from Mr. Asahara whatsoever. The real estate agent who acted as intermediary in the transaction says the following: "Top executives who came to negotiate were continuously making contact by telephone with someone to get instructions concerning price, etc." It is difficult to imagine that top executives would receive their instructions from anyone but Mr. Asahara, but, in the end, there was no hard evidence and the founder was protected by his followers.

What about the various incidents that have been coming to light recently?

"I do not know the circumstances concerning recent events, but as for the organization of Aum Shinrikyo, all movements are determined by the top man. The founder is the only person with decision-making authority," emphasizes Mr. A.

"Personnel decisions are all determined by the leader. When I was chief at a certain branch and was unable to meet acquisition targets for new followers, I was told in a meeting by the founder what is the matter with you? You're being replaced,' and was called back to Tokyo the following month. Even for new initiations, etc., the founder would come up with ideas and have people with knowledge and skill in those areas to handle them."

It was also founder Asahara's judgement to make followers renounce the world.

"In individual interviews called 'secret yoga,' one could tell who was zealous. In those interviews we were instructed to acquire by all means those with occupations that Aum desired to have active within, such as doctors, etc., and we ourselves would recommend that person to renounce the world."

Not just limited to personnel, initiations, and strange experiments, founder Asahara's role in offerings was also significant.

The following is an example.

Mr. B, currently living in Wakayama Prefecture where he runs a business that manufactures and sells natural foods, converted to Aum due to his interest in yoga, and was zealous enough to be willing to offer his know-how in building the Lotus Village (a type of Aum village) that the founder is setting forth. However, he subsequently left the cult, and currently, along with criminal legal action against Aum, he has filed a civil suit to try to get his land returned since Aum changed the name of ownership without permission on approximately 37,000 square meters of land and buildings.

"Aum tried to get me to renounce the world, but I refused. When that happened, the senior member in charge made threats—'The Master says that if Aum decides to do so, it could use its power to easily shut your business down'"; and the 'Master says he will have your wife renounce the world,' among others. There was even a time when they consulted Asahara by phone right in front of me. One time, Asahara dragged a senior member to the Wakayama branch, called me in and requested that I 'renounce the world while remaining a lay person.'"

There is no such expression in the Aum lexicon as "lay person who renounces the world." Mr. B interpreted this to mean he would be treated the same as a priest, in that he would offer up all his other property, while still doing the same job. He refused. At this time, Mr. B's faith in Aum weakened.

It seems that Aum, which said it intended to become self-sufficient but lacked any specialists in agriculture, desperately wanted a talented man like Mr. B who possessed the technology, land, and sales routes. Mr. B also had an interest in yoga and was a believer in Aum, but did not have the slightest inclination to become a priest and donate his land. However, even after that there were persistent efforts to induce him to do so.

"I received a phone call from Asahara himself and he said, 'Have you donated all your assets?.' After that, when there was the 'prophecy' that a 'nuclear war will occur,' the legal seal inside my suitcase which I took to the facility in Tomizawa Town in Yamanashi Prefecture was stolen, and Aum took the liberty of going through the procedures to transfer ownership of real estate. To make matters worse, they arranged things so that I had effectively borrowed 40 million yen from Aum. In the end, I was stripped of everything I owned by Asahara."

With regard to large sums of money for offerings, there are other instances in which the founder Asahara himself participated aggressively.

In the case of the abduction and confinement of millionaire Miyazaki, victim Mr. C's fourth daughter, Ms D, was the first one in the family to become an Aum follower (she currently has quit the cult). The mother fell ill, and around the time when people connected with Aum, including the attorney Aoyama, were insisting "she will recover if offerings are made," a guidance teacher told Ms D, who still had her membership with Aum, "we had a phone call from the Master who instructed us to be sure to follow up on D.'"

### There Shall Be Compliance With the "Guru" in All Things

Also, after Mr. C was taken away, Ms D and her worried family visited the Aum Shinrikyo affiliated doctor's office (AHI) in Tokyo's Nakano District where Mr. C had been admitted to request an explanation from the physician. They tape recorded the conversation with the physician on duty. The scene is the family's request to the physician to have Mr. C, who they heard "wanted to return home," released.

Family: "I represent the family and came to confirm the wishes of my stepfather and stepmother, and the person in question says he wants return home. If (he) were to express that feeling in front of the head physician, could he not be discharged from the clinic?"

Head physician: "Well, in that regard most everything that concerns admittance here is in accordance with the Master, so we pretty much consult the Master about everything. Otherwise, if he is moved now just when his condition has stabilized, he could possibly suffer a relapse, so the Master will need to examine the spiritual aspects and use his mystical powers. This is why I think we should first consult with the Master before doing that."

Then a person who had been Ms D's guide when she was a member interjected the following into this conversation.

"This matter will require the Master's input and judgement. We understand what you are saying, and we will tell the Master about your concerns. Then we will let him make the judgement..."

The Aum side explained that Mr. C had a mild condition of cerebral infarction. Everything from admittance to discharge for people in such a condition is subject to the judgement and guidance of the Master, that is, Asahara. Of course, there is a strong suspicion that Mr. C was actually not sick, but, while he was asleep, they had used some sort of chemical to induce a deeply lethargic sleep and then took him away...

In this way, the founder Asahara has the decision-making authority on all important matters that concern the operation of the cult. Moreover, this is not a formal authority at all, but he gives direct instructions to those in charge and at times even involves himself in various ways.

And regardless of whether one is a highly senior member or a lowly devotee, the founder's instructions are absolute. The following kinds of sentences are found throughout a pamphlet called "Fifty Poems of Devotion to the Guru" that was distributed to Aum Shinrikyo followers. (This is from first century A.D. verses translated by Aum. Guru refers to guide and in Aum refers to founder Asahara.)

"Serve and pay homage to the Guru—for instance, obey what the Guru says..."

"You should never disturb the mind of the Guru. Should you foolishly do so, you shall surely be boiled in perdition."

"You should do all to delight the Guru and not do things to displease him. You should be ever diligent in both of those things."

Concerning the recent forced search, founder Asahara admits the fact that he had large quantities of chemicals in his possession. Although this is rare for Aum, which screams about "religious persecution in a frame-up by state authority" whenever it has the opportunity, there was no way it could claim that police had brought in evidence for a frame-up because such large quantities of chemicals were discovered while the media watched.

On top of that, founder Asahara, in a message to the press and followers released from his hiding place, tries to vindicate himself, saying "potassium cyanide was used for gold and silver plating of buddha statues. We were trying to use phosphorous trichloride as a plasticizer and for research on fertilizer and agricultural chemicals. The sodium fluoride was purchased in order to produce large quantities of many types of pottery to be able to send them out into the world for a low price."

### Followers Tormented by the "Fear of Hell"

As far as I know, not only does Aum not have farm lands, it also has no agricultural technicians. The first and most important thing that is needed when making pottery is clay; the second is a kiln and then the glaze. What about those things? According to major earthenware makers and glass makers, "ordinarily, sodium fluoride is not used."

Attorney Aoyama also said this: "We had a farm in Wakayama, but that disciple quit. It is now under adjudication."

The former disciple he speaks of is the above-mentioned Mr. B. Says an indignant Mr. B: "Everything Aum says is nothing but plain falsehoods."

"In their instructions to me they said that even in the pursuit of agriculture not one bug should be killed nor should any grass be cut. They said that all insecticides, herbicides, and chemical fertilizers were forbidden. I was totally opposed because at that rate there could be no crops. Moreover, because I immediately quit, they have never once grown anything on my land. They are incapable of agricultural work. Aum's Wakayama training center is near me, and there was an orange grove there. Initially, it was said to be for offerings, and they only came about twice to harvest oranges, but since they did not maintain the crops after that the trees just dried up. With that attitude, why would Aum need to do anything like agricultural research?"

Because the founder once gave this totally unconvincing explanation, it became impossible for even senior members to change it. Attorney Aoyama and Mr. Joyu appeared live on Television Asahi's "Sunday Project" on 26 March and merely fervently repeated the founder's explanation. As long as they are Aum adherents, they must respect the judgement of the founder and continue the vain efforts to support and spread his words. At the time of the incident involving attorney Sakamoto, Joyu who seemed like such a brat, is now only pitiful.

It is said that Mr. Joyu, without thinking, complained during Asahi News coverage that "at this rate (the cult) will be completely ruined. This is an extreme crisis situation."

Followers have been indoctrinated with the teaching that regardless of the content, the words of the founder are absolute and to go against them would be evil. They are taught that newspaper and magazine articles are "evil data," and they, who have believed that those who criticize Aum as I am doing are "devils," are probably not able to properly interpret the current coverage. However, direct instructions from the founder which had been given in the past have disappeared, so this should have the followers filled with anxiety right now.

The spirits of the followers are bound by the Aum teaching that "those who do not practice the supreme truth will go to Hell." There are many who believe that that spell is not broken even if one leaves Aum, and that, as a deserter, Hell awaits them down the road. There are probably many who are tormented by guilty consciences because they were not able to protect Aum this time. This may closely resemble the mental condition experienced by Japanese just after the war, especially those who had been young militants. The belief system that they had considered absolute up until then went crashing down in one blow and they were told that the reports that they had thought correct were actually false, and then America, with its totally different value system, stepped in. Perhaps it is easier to understand the feelings of the cult followers if one thinks about substituting the founder Asahara with the emperor as god incarnate and think of us "present day" people in the role of America.

The troublesome thing, however, is the "fear of Hell." How has former senior member Mr. A conquered this fear that torments many former devotees? This is something I would like believers to read carefully.

"Ultimately, Hell is something that exists within oneself. Even when one leaves Aum or even without Aum, one should just practice with the correct spirit. Even I think the Aum spiritual training system is superior. As can be understood from my experience, only a very few senior members in addition to the founder are aware of the seamy side. I think that even now the majority of devotees are trying to conduct their spiritual practice correctly. Although those people are convinced that Aum is the only place to practice the supreme truth, that is totally wrong. They should practice on their own. In my case, when I saw the report that secondary products of sarin were discovered at Aum facilities in January, although I thought I should quickly offer my experience as information, I did not. That fact for me is also a kind of Hell."

In the case of devotees who have renounced the world, there are many who broke away from their parents and siblings who opposed them, renounced the world, and are probably thinking now that they have no place to which they can return. Since the beginning of the recent forced search, the parents of Aum followers have been disconcerted. This is only reasonable; they are probably stricken with the anxiety that their child might commit suicide and are desperately trying to somehow use this opportunity to retrieve their children.

However, Mr. A gives the following caution: "Although Aum will effectively be destroyed by these recent incidents it does not necessary mean that children will return to their parents."

Though I have had numerous opportunities to meet young people attracted to Aum over the past few years, many of them are somewhat timid yet serious, and they intently ponder social matters, the human situation, and global environmental issues more than adults imagine.

"Young people are also aware of the current social decay. They have no desire to become a cog in that type of society. That being so, the only thing left for them is either to play around or to go in a direction leading away from today's society. Such is the case with the environment as well. Therefore, if parents were to think about trying to change modern society, trying to do something themselves to that end and express that desire, children would want to return to them."

Finally, there are two things I definitely want to say to founder Asahara. It is certain that you know everything. Not only do you know, your disciples were operating according to your instructions, which resulted in the recent large-scale investigation. You should come out and reveal the truth yourself and not push dealing with this off onto your disciples.

The other thing is that I want you to immediately issue a final instruction to your followers.

You should tell them that "in the future I want you to search for the way to supreme truth yourselves in your respective locations while thinking with your own minds, and then proceed along that path."

In order for there not to be any more victims, this is his final task that absolutely must be done as a founder even in the sense of carrying out his responsibility to the many followers who believe him and have done whatever he said.

## North Korea

### Nuclear Talks With U.S. in Malaysia Reported

#### Talks To Continue 6 Jun

*BK0606081895 Kuala Lumpur THE STAR in English 6 Jun 95 p 2*

[FBIS Transcribed Text] Kuala Lumpur — Wide differences remain the stumbling block in the nuclear talks between the United States and North Korea which is now into its third week.

After a one day break on Sunday, the US and North Korean delegations resumed their talks yesterday but broke up 1 1/2 hours later. Both sides will meet again today.

US Deputy Assistant Secretary for East Asia and Pacific Affairs Thomas Hubbard said they had another in-depth discussions principally on the light water reactors.

"Unfortunately, after two weeks, the gap between us remains wide.

"We expect to take a break and meet tomorrow," he said after emerging from talks with North Korean Vice Foreign Minister Kim Kye-kwan at the North Korean embassy.

Pyongyang delegate Chung Song-il also remarked that their differences remain wide.

Hubbard had said last week that although some progress had been made, "a lot of hard work remained and that no conclusion has been made."

The talks which began on May 20 had centred on Pyongyang's rejection of the South Korean-made light water reactors offered by Washington.

#### KYODO: Negotiators Ordered Home

*OW0606053295 Tokyo KYODO in English 0513 GMT 6 Jun 95*

[FBIS Transcribed Text] Kuala Lumpur, June 6 KYODO — North Korea has ordered its negotiation team in talks with the United States on a stalled nuclear accord to return home, a North Korean diplomat said Tuesday.

The diplomat, Choi Song-ho, said the North Korean Embassy in the Malaysian capital received the order from Pyongyang on Monday night.

He said that two of the seven North Korean negotiators left the country Tuesday morning, including Yi Hyung-chol, a Foreign Ministry official in charge of dealings with the U.S.

But Choi said the remaining members of the North Korean delegation will participate in a scheduled 15th day of talks Tuesday afternoon at the U.S. Embassy.

Choi said the current round of talks, which began May 20, would break down if the U.S. continues insisting that two light-water reactors, to be provided to North Korea under an accord signed in Geneva last October be labeled as made in South Korea.

#### Talks at 'Critical Juncture'

*OW0606080895 Tokyo KYODO in English 0743 GMT 6 Jun 95*

[FBIS Transcribed Excerpt] Kuala Lumpur, June 6 KYODO — [Passage omitted] A diplomatic source close to the talks said Monday night the negotiations had reached a "critical juncture" and should be wrapped up, either successfully or in failure, within several days.

But the source added the U.S. delegation, led by Deputy Assistant Secretary of State Thomas Hubbard, has no intention to initiate a rupture of the talks.

Under the Geneva agreement, North Korea has agreed to freeze and eventually dismantle its current graphite-moderated reactor program, which Washington says is designed to produce nuclear weapons.

North Korea objects to the light-water reactors in question being referred to as South Korean-made when in fact they are based on U.S. technology and design.

### Foreign Ministry Spokesman Cited on Reactors

*SK0506132495 Pyongyang Korean Central Broadcasting Network in Korean 1210 GMT 5 Jun 95*

[FBIS Translated Text] A spokesman for the DPRK Foreign Ministry gave the following answer to a question put forth by a KCNA reporter on 5 June in connection with the DPRK-U.S. talks being held in Malaysia:

As is known, the DPRK-U.S. talks have been going on in Kuala Lumpur, the capital of Malaysia, since 19 May. After the breakdown of the Berlin working-level negotiations held between the DPRK and the United States on providing light-water reactors, and since the United States was the first to propose the DPRK-U.S. talks, we participated in them to finally ascertain whether they really want to settle this problem.

Both sides have been discussing various issues, which have been serious points of contention, related to providing light-water reactors.

In connection with the selection of the reactor model, which is one of the key issues related to providing light-water reactors, we have consistently maintained from the first that we attach importance to what country's technology and design the product is based on, and that we do not particularly care about where it is manufactured. However, the final agreement has not yet been reached because the United States has raised unreasonable conditions regarding this issue, persistently pursuing a political purpose.

The issue of selecting the light-water reactor model should be through and through resolved by us and the United States.

The range of provisions concerning the delivery of light-water reactors has also been raised at the talks as an important matter. Since, according to the DPRK-U.S. agreed framework, the United States is obliged to provide us with complete sets of light-water reactor power plants in exchange for our freezing the graphite-moderated reactor, it is a matter of common knowledge that the United States should be responsible for the entire project, including the adjustment of construction sites and infrastructural construction.

Moreover, since the issue of providing light-water reactors is a product of the political compromise between the DPRK and the United States, it is all too clear that general norms or trade practices are not applicable here. In relation to the issue of the range of the provision of light-water reactors, it is unrealistic of the United States to try to oblige us to make initial investments as the buyer as if this were a normal business transaction.

The DPRK-U.S. agreed framework requires implementation based on verification, not trust. This is why we have made it clear that we will not invest a penny until the initial stage of the building of the light-water reactors is completed, and until the adjustment of the construction sites and all conditions necessary for their operation are provided.

In view of the political character of the light-water reactor issue, if the issue is to be resolved satisfactorily, the United States should not confine itself to delivering complete sets of light-water reactor power plants, but should resolve the range of the provision of other things related to them in a fair manner.

### U.S. Congressman Visits Pyongyang Monuments

*SK0606042895 Pyongyang KCNA in English 0420 GMT 6 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — Bill Richardson, member of the House of Representatives of the United States, and his party visited the three revolution exhibition on Monday.

The visitors were shown round the exhibited splendid achievements made by the Korean people under the banner of the ideological, technical and cultural revolutions.

After the visit, Bill Richardson wrote in the visitor's book that this is a fine exhibition of agriculture and technology of Korea and a good place helping foreign visitors to understand Korea.

They also visited the Tower of the Chuche Idea, the May Day Stadium and other places.

### Paper Denounces ROK Purchase of U.S. Radar

*SK0606042695 Pyongyang KCNA in English 0418 GMT 6 Jun 95*

["Arms Buildup for Invasion of North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — The traitorous Kim Yong-sam group recently decided to import five anti-artillery radar units, which are called latest-type weapons, from the United States within this year allegedly to "cope with threat from the North."

NODONG SINMUN today brands this as an unpardonable crime to have a showdown with fellow countrymen and plunge them into the scourge of war as a war servant of outside forces.

The news analyst says:

It is the invariable policy of the U.S. to reinforce its aggression forces, step up war preparations on the Korean peninsula and threaten and stifle the DPRK with "strength."

The anti-artillery radar system the puppets decided to import this year is not their own choice but something they purchase in compliance with the demand of the United States.

The Kim Yong-sam group's arms buildup and war preparations against fellow countrymen are aimed at winning "patronage" of the U.S. warmongers in return for excessive profits offered to them.

It is a treason to keep outside forces within the nation. But, it is a more heinous treason to import lethal weapons to kill fellow countrymen.

The South Korean puppets are mistaken if they think they can realise their ambition for invasion of the North with reckless arms buildup and war gamble.

### Struggle Against Domination, Subjugation Urged

*SK0606101795 Pyongyang KCNA in English*
*1012 GMT 6 Jun 95*

["NODONG SINMUN Calls For Resolute Struggle Against Domination and Subjugation, Aggression and Intervention" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — NODONG SINMUN today comes out with a signed article stressing that it is an intrinsic requirement of the popular masses' cause of independence and a common task of the world people aspiring after an independent, new world, democratisation of the international community to struggle to frustrate the imperialist domination and subjugation, aggression and intervention.

The Workers' Party and people of Korea regard it as their internationalist obligation and mission for the times to struggle to frustrate imperialist domination and subjugation, aggression and intervention, the author of the article says, and continues:

The great leader Comrade Kim Il-song gave a scientific exposition of all the theoretical and practical matters arising in strengthening the struggle to frustrate imperialist moves of domination and subjugation, aggression and intervention and thereby made an undying contribution to the human cause of independence. The Korean people have consistently and positively struggled against imperialist domination and subjugation, aggression and intervention under the uplifted banner of independence.

The progressive peoples of the world should strengthen and develop the international movement to determinedly frustrate the imperialist moves of domination and subjugation, aggression and intervention, accomplish the independent national development and realise the independence of humankind.

What is the most important in this is for all countries and nations to maintain independence.

It is very important to tighten the unity of anti-imperialist, independent forces in every way in the struggle to frustrate the imperialist moves of domination and subjugation, aggression and intervention.

It is also necessary to struggle to destroy the old international order of domination and subjugation and establish and develop a new international order, international relations based on independence and equality.

### Paper: Independence Fundamental to Reunification

*SK0506104095 Pyongyang KCNA in English*
*1030 GMT 5 Jun 95*

["Independence — Fundamental Stand for National Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 5 (KCNA) — Independent position is the fundamental stand that should be firmly maintained in achieving the cause of national reunification.

NODONG SINMUN stresses this in a signed article today.

The paper says:

It is, above all, because independent position is the most reasonable stand proceeding from the essence and character of the problem of national reunification.

The Korean people's struggle for national reunification is a struggle to link together the blood vessel of the nation artificially severed by the outside forces and realize its independence on a nationwide scale.

It is self-evident that the division of the nation by the outside forces cannot be terminated in reliance on the outside forces and the internal affairs of the nation for removing misunderstanding and distrust within the nation and achieving national reconciliation and unity cannot be resolved on the strength of the outside forces.

The independent stand is also a scientific stand based on the most correct elucidation of the driving force of national reunification.

The driving force of national reunification is the entire Korean nation. It is because the Korean nation ardently aspires after the reunification of the country and has the strength to realize it.

The struggle for national reunification is an independent struggle of our nation to realize its independence in reliance on its own forces.

The independent stand is also a realistic and reasonable stand which makes it possible to successfully solve the reunification problem in conformity with the trend of the present times towards independence and the ardent desire of the Korean nation for independence.

Moreover, ours, a homogeneous nation whose ancestral father is King Tangun, is a nation with higher degree of patriotism and stronger independent spirit than any other nation. The demand and desire of our nation to live and develop in an independent way, free from all manner of domination and subordination, are growing intense with the trend of the present times, the era of independence, and growing stronger with the continuation of the tragedy of territorial bisection and national division by the outside forces.

### ROK Students Should Push Unification Festival

*SK0606041295 Pyongyang KCNA in English 0404 GMT 6 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — Different organizations under the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) sent letters to organizations under the South side headquarters of Pomchonghangnyon calling on them to rise up in the struggle for successful opening of a grand national reunification festival celebrating the 50th anniversary of national liberation.

The editorial committee of the magazine TAEHAKSAENG (student), the South Pyongan, Chagang, North Hamgyong Provincial and Nampo Municipal Student Committees sent letters respectively to the National Federation of University Gazetteers, the Chungchong District Federation of General Student Councils, the Pusan-South Kyongsang District Federation of General Student Councils, the North Cholla District Federation of General Student Councils, and the Kyonggi-Inchon District Federation of General Student Councils.

The letters said the opening of the August 15 festival is as impossible as ever without a fierce struggle against the separatists.

They called on the South Korean student organizations to valiantly fight shoulder-to-shoulder in the van of the noble struggle for smashing the moves of the Kim Yong-sam group to block national reconciliation and unity and making a success of the festival at any cost.

### Radio Stresses Need To 'Overthrow' Kim Yong-sam

*SK0506125595 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 3 Jun 95*

[Unattributed talk from the program "Hour for the Officers and Men of the South Korean Armed Forces": "It Is Necessary To Ovethrow the Traitor Kim Yong-sam From Power"]

[FBIS Translated Text] Today, the officers and men of the South Korean Armed Forces, as well as the South Korean people themselves, are raising their voices calling for the early overthrow of the civilian fascist regime, saying that if the nation-seller traitorous Kim Yong-sam is left intact, they cannot escape from the destiny of colonial slavery nor realize national peace and reunification.

A certain Kim, an officer of the 37th Regiment of the 12th Division of the South Korean puppet army, could not repress his bitter feelings over the death of President Kim Il-song, the benevolent father of our nation, saying: The Kim Yong-sam ring has indiscriminately imprisoned and punished the masses in the South who expressed their condolences over his death. Nowadays, the ring is conducting a wholesale roundup of the members of Hanchongnyon [the South Korean Federation of General Student Councils] — which is engaged in righteous acts for independence, democracy, and reunification — with a view to obliterating the organization, calling it an organization engaged in activities benefiting the enemy. If one desires independence, democracy, and reunification, then it is an illusion to leave such a ring intact. If the Kim Yong-sam ring is left intact, our masses will not be able to sleep soundly even for a night, much less achieve democracy and reunification.

Filled with vehement indignation, he told his colleagues that the officers of the South Korean Armed Forces should come to their senses and get rid of Kim Yong-sam at an early date.

A certain Yi, a first lieutenant in the 7th Corps of the South Korean puppet Army, told his soldiers some time ago: Far from apologizing to the nation for the crime it committed last year [apparent reference to the ROK's suppression of expressions of condolences over the death of Kim Il-song], the Kim Yong-sam ring has once again stabbed its countrymen in the chest by scheming today to justify the felony it committed last year. How can we consider as human such a group of villains. They are beasts with human faces? In the literal sense of the word, they are brutally barbarous. It is our greatest shame to work as guards protecting such an enemy of the nation, the enemy of reunification, people who are inferior to animals. As (?we have heard and seen), the only thing such rascals will bring about will be calamities and confrontation between countrymen. Therefore, the officers and men of the South Korean Armed Forces, who are members of the nation, should first overthrow the traitorous Kim Yong-sam to achieve reconciliation, unity, and reunification of our countrymen, then lead our own proper life.

A certain Chong, a labor movement activist residing at Chongno 5-ka in Seoul, told his friends about the anti-human activities of the Kim Yong-sam ring, saying: Because a group of immoral and depraved people like Kim Yong-sam remain in power, how can we expect to see the realization of national reunification? If the Kim Yong-sam group is left intact, only calamities will accumulate and only disasters will result.

He emphatically stated: It is necessary to wage a vigorous struggle to bury the Kim Yong-sam ring, which has been abandoned by the South Korean masses and which is outside the mainstream of history, at an early date.

In this way, the officers and men of the South Korean Armed Forces and the South Korean people continue to raise their voices, calling for elimination of the Kim Yong-sam ring, the fascist dictatorial maniac and splittist fanatic, at an early date.

### ROK Said 'Scheming To Stamp Out' Trade Union

*SK0606102295 Pyongyang KCNA in English 1017 GMT 6 Jun 95*

["Repressive Racket To Dig Out One's Own Grave" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — MINJU CHOSON today denounces the Kim Yong-sam group for scheming to stamp out the trade union of the telecommunication co.

The traitor Kim Yong-sam labelled the struggle of the trade union as "plot to overthrow the state" and wild words "decisive punishment", "legal action" and "heavy discipline" came out at an "emergency meeting of ministers concerned" and other meetings. Worse still, the puppets have kept heavily armed police around the Myongdong Cathedral and Chogye Temple where cadres of the trade union are on a sit-in and hunger strike.

The news analyst goes on:

Such repressive outrages of the Kim Yong-sam group prove that they are barbarians and fascist murderers who ruthlessly trample underfoot even the vital right of the workers. These betray the ulterior intention of the puppets to contain the trade union activities of other government managed enterprises and thwart the growth and strengthening of the labour movement by stamping out the trade union of the telecommunication co. this time.

But things are not going as the puppets wish. The trade unionists of the telecommunication co. declared that they would further strengthen their struggle if the puppets intensify suppression. Chonguknyonhap, Hanchongnyon, the "Preparatory Committee for Building the Federation of Democratic Trade Unions" and many other organisations denounce the puppets' suppression of the trade union of the telecommunication co.

While trying to stifle the trade union of the telecommunication co., the Kim Yong-sam group are compelled to dig out their own grave, faced with the strong protest of the people from all walks of life.

It is as clear as noonday that the workers' indignation at the Kim Yong-sam group will burst into a stronger struggle with the approach of "local autonomy elections".

### ROK Civic Organizations Back Labor Struggle

*SK0406084395 Pyongyang KCNA in English 0813 GMT 4 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 4 (KCNA) — Forty-nine civic organisations including the National Alliance for Democracy and Reunification in South Korea formed an all-people measure committee for support to the struggle of the unionists of the telecommunication company on Thursday, a radio report from Seoul said.

The committee decided to hold a rally in Seoul on Saturday in protest against the fascist crackdown on the struggle of the unionists and in demand of guarantee of the labour rights.

The labour union of the Seoul subway company, having had negotiations with the management several times over the issue of the right to existence, held a general meeting on the same day and announced that it would launch a labour dispute, adding that in case the puppet clique interferes in it, it would go on a strike.

### Army Chief of Staff Meets Outgoing Syrian Envoy

*SK0206224295 Pyongyang KCNA in English 1512 GMT 2 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 2 (KCNA) — Chief of General Staff of the Korean People's Army Choe Kwang today met and had a talk with Syrian Ambassador to Korea Yasir Farah, who paid a farewell call on him.

### Cambodia's Sihanouk Receives Ambassador

*SK0306213695 Pyongyang KCNA in English 1508 GMT 3 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 3 (KCNA) — New DPRK Ambassador Song Ho-kyong presented his credentials to Cambodian King Norodom Sihanouk on May 30.

The ambassador conveyed the greetings and gift of the great leader Comrade Kim Chong-il to Norodom Sihanouk.

The Cambodian king expressed deep thanks for this and asked the ambassador to convey his warm reverence, respect and best wishes for longevity to Comrade Kim Chong-il.

He told the ambassador:

His Excellency Generalissimo Kim Il-song, the great leader, together with His Excellency Marshal Kim Chong-il, the great supreme leader, performed immortal feats by turning the glorious Democratic People's Republic of Korea into the only earthly paradise in the world and a powerful country markedly developed in all fields through an outstanding, tested and wise leadership.

We firmly believe that His Excellency Generalissimo Kim Il-song, the great leader, is always with the Korean people and the peoples of the world.

The Cambodian people as well as the heroic Korean people express absolute reverence for and trust in His Excellency Marshal Kim Chong-il, a great hero and the outstanding supreme leader who is another leader just like His Excellency Generalissimo Kim Il-song, the great leader.

We wish the Korean people great progress in the efforts to build socialism in Korea and accomplish the chuche cause under the outstanding and wise leadership of His Excellency Marshal Kim Chong-il, the great supreme leader.

We affirm our full, unconditional support for the Korean people's just cause of reunifying the country independently and peacefully in accordance with the line and policy of his excellency the great Generalissimo Kim Il-song and His Excellency Marshal Kim Chong-il, the great leader.

We will recognise only the DPRK, the sole representative of the entire Korean people, and will never recognise the Seoul "government" in South Korea. This is the unshakable position of my own, our royal government and people of Cambodia.

We will do all we can to constantly strengthen and develop friendship, solidarity and cooperation between the countries, governments and peoples of Cambodia and Korea.

We will strive to strengthen and develop this great friendship, solidarity and cooperation in the international arena, too.

### Yi Chong-ok Meets Mongolian Delegation

*SK0206224495 Pyongyang KCNA in English 1517 GMT 2 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 2 (KCNA) — Yi Chong-ok, Politburo member of the Central Committee of the Workers' Party of Korea [WPK] and vice-president of the DPRK, today met and had a friendly talk with the visiting delegation of the Mongolian People's Revolutionary Party led by N. Sendenzhav [name as received], member of the Secretariat of the party and economic councillor of the leadership council of the party, at the Mansudae Assembly Hall.

Present on the occasion were Kim Yang-kon, a vice department director of the WPK Central Committee, and Ranchivdorjyn Lomvo [name as received], charge d'affaires ad interim of the Mongolian Embassy here.

The head of the delegation said His Excellency Kim Il-song, the great leader of the Korean party and state, dedicated great energies to the development of friendly relations between the two parties and peoples.

His Excellency Kim Il-song, the great leader of the Korean people, is with the Mongolian People's Revolutionary Party and in the hearts of the Mongolian people, he added.

His Excellency Kim Chong-il, the dear leader of the Korean party, state and people, is directing deep attention to the development of friendly relations with the Mongolian party and people, the Mongolian visitor said. The Korean people owe all their achievements to the wise guidance of his excellency the great leader Kim Il-song and his excellency dear Kim Chong-il, he said, wishing the Korean people great success in the efforts for the prosperity and development of the country and national reunification.

### Thai Research Council Delegation Leaves 30 May

*SK0306080595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 May 95*

[FBIS Translated Text] The Thai National Research Council delegation headed by General Secretary (Apirak Armen) flew home on 30 May. Yi Chi-su, president of the Chuche Idea Academy, was on hand at the airport to bid the delegation farewell.

### Youth Delegation Departs for PRC 5 Jun

*SK0506110295 Pyongyang KCNA in English 1045 GMT 5 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 5 (KCNA) — A delegation of the League of Socialist Working Youth of Korea [LSWYK] led by Choe Hui, vice-chairman of the Central Committee of the LSWYK, left here today to visit China.

### Malaysian Guests Visit Kim Il-song Statue

*SK0406084495 Pyongyang KCNA in English 0818 GMT 4 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 4 (KCNA) — A delegation of the youth organization of the Malaysian People's Movement led by Yim Boo Chang, chairman of the C.C. [Central Committee], the youth organization, called at the statue of the great leader President Kim Il-song on Mansu Hill on Saturday to express reverence.

It was accompanied by Chairman of the C.C., the League of Socialist Working Youth of Korea Choe Yong-hae.

The guests laid bouquets of flowers before the statue and made a bow, with feelings of reverence for the respected leader President Kim Il-song.

### Zambian Party, Government Delegation Departs

*SK0306213895 Pyongyang KCNA in English 1510 GMT 3 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 3 (KCNA) — The party and government delegation of the Republic of Zambia led by Brigadier General Godfrey Miyanda, vice-president of Zambia and national secretary of the Movement for Multi-Party Democracy of Zambia, left here today after paying an 8-day official goodwill visit to Korea at the invitation of the Central Committee of the Workers' Party of Korea and the Government of the Democratic People's Republic of Korea.

It was seen off at the airport by Vice-President Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, and officials concerned.

During the stay in Korea, the delegation visited Mangyongdae, the Tower of the Chuche Idea, the three-revolution exhibition, the West Sea barrage and other places.

### UN Children's Fund Lauds Efforts for Children

*SK0506060695 Pyongyang KCNA in English 0452 GMT 5 Jun 95*

["'Korea's Are Children of Fortune'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 5 (KCNA) — Anthony J. Hewett, head of the visiting delegation of the UN Children's Fund, told KCNA that the Democratic People's Republic of Korea does spare nothing for children.

The government of the republic allocates a colossal amount of money for children, he said, and continued: The country that is paying so much attention and investments to children is only the Democratic People's Republic of Korea.

The great President Kim Il-song described children as "kings" of the country.

Korea's are children of fortune.

Korea brings up children to be precious future masters of the country. Such phenomenon can be seen in no other country.

Noting that the cooperation between the UN Children's Fund and the Democratic People's Republic of Korea goes very well, he expressed the conviction that this will develop further in future.

### WPK Fete Marks Birthday of Cuba's Castro

*SK0406084595 Pyongyang KCNA in English 0828 GMT 4 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 4 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] gave a party on Saturday on the 64th birthday of Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba and minister of the Revolutionary Armed Forces of the Republic of Cuba.

Hwang Chang-yop, secretary of the WPK Central Committee, said in his speech that Raul Castro Ruz is an old comrade-in- arms and close friend of the Korean party and people and that he made a special contribution to the independence and liberation of Cuba and has displayed his guidance ability in the socialist construction and the building of the Revolutionary Armed Forces as well as the work for strengthening the party after the victory of the Cuban revolution. He went on to say:

The Cuban revolution has advanced with flying colours along its arduous and complex road under the wise leadership of respected Comrade Fidel Castro Ruz, the supreme leader of the revolution. Its whole course is associated with the fighting exploits of Raul Castro who is boundlessly loyal to the cause of the leader.

The speaker strongly denounced the United States for its moves to adopt so-called "Helms-Burton" bill to totally blockade the socialist Cuba and isolate and stifle her defying the unanimous protests and denunciation of the world's people.

The party and people of Korea rejoice, as over their own, over the fact that the Cuban people are accelerating the Cuban revolution, firmly united around the party and the leader, without any vacillation even under the difficult conditions, and sincerely wish them greater success in the future struggle, he added.

Ramon Rodriguez Varona, Cuban ambassador to Korea, in his speech expressed deep thanks to the supreme leader Comrade Kim Chong-il and the Central Committee of the Workers' Party of Korea for a grand party arranged on the birthday of Raul Castro.

He said that the two peoples are standing against all sorts of pressure on the part of the United States, the common enemy, and are vigorously struggling with firm resolution to advance along the road of socialism chosen by themselves, frustrating interferences of foreign forces.

The ambassador said:

Today the peoples, parties and Armed Forces of the two countries are united more firmly than ever before, strengthening the militant ties of friendship.

The United States is laying preconditions and obstacles in the implementation of the framework agreement adopted in Geneva in October 1994 to delay it hand in glove with the South Korean puppet government and is trying to frighten the Korean people so that they may spend their money and fuel needed for their development.

The Cuban people have always expressed solidarity with the Korean people, and believe that the Korean people will achieve the independent and peaceful reunification of the country in near future as indicated by the great leader Comrade Kim Il-song.

He extended profound thanks to the Workers' Party, Government and people of Korea for their intimate and militant solidarity with Cuba whenever she found herself in a difficult position.

Invited to the party were members of the Cuban Air Force delegation led by Lt. Gen. Ruben Martinez Puente, vice-minister of the Revolutionary Armed Forces and air and anti-aircraft commander of Cuba.

## Foreign Party Leaders Support WPK

*SK0206223595 Pyongyang KCNA in English*
*1506 GMT 2 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 2 (KCNA) — Panamanian and Nicaraguan political party leaders supported the just cause of the Korean people when they recently met a delegation of the Workers' Party of Korea [WPK] and the DPRK ambassadors to their countries.

Ruben Dario Sousa, general secretary of the C.C. [Central Committee], the People's Party of Panama, expressed full support for and solidarity with the firm struggle of the WPK and the Korean people to expedite socialist construction and achieve the reunification of the country under the wise leadership of the dear leader Comrade Kim Chong-il, true to the idea and behests of the great leader Comrade Kim Il-song.

He expressed the belief that the WPK and the Korean people standing face to face with U.S. imperialism, the ringleader of world reaction and aggressive forces, will certainly emerge victorious, overcoming all difficulties.

Eli Altamirano Perez, general secretary of the C.C., the Communist Party of Nicaragua, said that the WPK and the Democratic People's Republic of Korea led by the great leader Comrade Kim Chong-il are the fortress of socialism in the world and the Korean people will realise national reunification at an early date under his wise leadership.

Isidro Tellez, general secretary of the Marxist-Leninist Popular Action Movement of Nicaragua, hoped that the Korean people will continue to win great victory in socialist construction and the struggle for the reunification of the country.

Gustavo Tablada Zelaya, chairman of the Nicaraguan Socialist Party, said that the revolutionary economic strategy of the WPK is the most just and wise line.

## Peruvian University Meet Remembers Kim Il-song

*SK0506061595 Pyongyang KCNA in English*
*0504 GMT 5 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 5 (KCNA) — A meeting recollecting the great leader President Kim Il-song was held at Federico Villareal National University of Peru on May 26.

Attending it were the chairman and members of the Peruvian National Society for the Study of Kimchongilism, teachers and students of the university.

The speakers said at the meeting that the life of President Kim Il-song was the life of a great leader whom anyone cannot match in the world.

They noted that it is their sacred duty as his disciples to hand down the immortal feats performed by the president and his idea and theory and noble virtues through generations and sincerely remember them.

The greatest of the feats performed by President Kim Il-song is the brilliant solution of the question of the inheritance of the leadership for the accomplishment of the revolutionary cause in Korea, the speakers said, adding:

The Korean people have changed the big grief into strength and courage and are advancing the Korean revolution under the leadership of Comrade Kim Chong-il, with fervent loyalty to him.

### Kim Il-song Works Studied, Disseminated Abroad

*SK0306042195 Pyongyang KCNA in English 0419 GMT 3 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 3 (KCNA) — The great leader President Kim Il-song's famous works were studied and disseminated in different countries.

A seminar on "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" was held at the Group for the Study of the Chuche Idea of Comrade Kim Il-song of West La Penitence, Guyana.

At the seminar, chairman of the group Clarence Elliot elaborated on the main idea of the work. The speaker said the programme advanced by President Kim Il-song comprehensively indicates the basic question of reunifying the country with concerted efforts of the nation.

It is a fair reunification programme based on practical possibility of the great unity of the nation, the chairman added.

Seminars on "On the Three Principles of National Reunification" were held at the International Study Centre for Chuche-Oriented Mass Media in Nepal, the Group for the Study of the Chuche Idea of the Dar-es-Salaam Teachers College, Tanzania, and the Malagasy Institute for the Study of Chuche-Based Idea on Literature and Art.

### Foreign Papers Carry Kim Il-song Reminiscences

*SK0606040695 Pyongyang KCNA in English 0400 GMT 6 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — "With the Century," reminiscences of the great leader President Kim Il-song, was carried by foreign newspapers.

The Thai papers XING XIAN RIBAO, XIN ZHONG YUAN RIBAO and BAN MUANG informed the readers of the publication of the fifth volume of part one the anti-Japanese revolution from the reminiscences, and introduced its contents.

They said the reminiscences will be widely read as the true textbook of revolution and construction and a precious ideological and mental pabulum of life and struggle.

The Guyanese paper NEW NATION carried the news of the publication of the sixth volume and its contents and the Yemeni paper AL WAHDA introduced the fifth volume.

### Kim Il-song Anti-Japanese Battle Marked

#### Pochonbo Victory Described

*SK0306103595 Pyongyang KCNA in English 1013 GMT 3 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 3 (KCNA) — June 4 is the 58th anniversary of a historic battle fought by the great leader President Kim Il-song in Pochonbo at the head of the main unit of the Korean People's Revolutionary Army [KPRA].

The victory in the battle has been observed annually. This year the people celebrate the anniversary with particularly noble feelings.

With deep longing for President Kim Il-song, the Korean people assiduously read the sixth volume of part 1 "The Anti-Japanese Revolution" of his reminiscences "With the Century," which was published after his death. This volume deals with the victorious battle in Pochonbo.

President Kim Il-song wrote in the reminiscences that the Pochonbo battle was a decisive occasion in changing the historical current of a ruined nation toward liberation.

It was President Kim Il-song who felt pains in heart more than anyone else over the fate of the suffering motherland and people at the time when Korea with a history and culture of five thousand years was under iron rule of Japanese imperialism and the destiny of the nation was at stake.

The colonialists are characterized, first of all, by brutality, avarice and shamelessness.

However, no other colonialists were so brazen-faced as the Japanese imperialist aggressors who tried to erase Korea on the world map, deprive the Koreans of their spoken and written language and their surnames, forced them to "worship the imperial palace" and preached "the same ancestry."

President Kim Il-song keenly felt the extreme disasters and tragic situation which no other country and nation had experienced. He led the noble cause of national liberation and restoration in the van.

He ordered the main unit of the KPRA to attack Pochonbo, representing the indomitable will and unbearable indignation of Korea.

It was ten o'clock pm June 4, 1937.

In the wake of a signal gun report, the police substation, the forest conservation agency, the sub-county office, the post office, the fire agency and other ruling establishments of the enemy were attacked and set aflame all at once.

The president made a speech to the crowd who turned out to the street to the effect that the Korean nation is not dead but is alive, the Koreans and the Japanese imperialists are "not of the same ancestry" and the Koreans do not accept the notion that "Korea and Japan are one." He called on them to defend the spirit of the nation to the last and demonstrate the indomitable stamina of the Korean nation.

The Pochonbo battle was like dawn in that it changed the course of the destiny of the nation from decline and restored the fainting soul of the nation. The victorious battles at Kouyushan and Jiansanfeng added to the success and significance of the Pochonbo battle.

The sixth volume of the reminiscences deeply moves people and lets them learn with reverence that President Kim Il-song's revolutionary history was a history of his struggle for the country and the people.

### Yanggang Meeting Marks Anniversary

*SK0406083795 Pyongyang KCNA in English 0811 GMT 4 Jun 95*

[FBIS Transcribed Text] Hyesan, June 4 (KCNA) — A Yanggang provincial meeting was held in Pochon County on Saturday to mark the 58th anniversary of the victorious Pochonbo battle organised and led by the great leader President Kim Il-song (June 4, 1937) during the anti-Japanese armed struggle.

The participants in the meeting paid a silent tribute to the memory of President Kim Il-song.

Yi Kil-song, chief secretary of the Yanggang Provincial Committee of the Workers' Party of Korea and chairman of the Yanggang Provincial People's Committee, made a report at the meeting.

The reporter described the Pochonbo battle as a historic battle which fully demonstrated the indomitable revolutionary spirit and patriotic stamina of the Korean nation and carried great importance in achieving victory in the heroic anti-Japanese armed struggle and the liberation of the country.

The reporter said:

At a time when the Japanese imperialist aggressors were intensively oppressing and suppressing the Korean people while claiming that "Korea and Japan are community" and "the Koreans and the Japanese are of the same ancestry," the great leader advanced the policy of conducting an operation of the main unit of the Korean People's Revolutionary Army in the homeland at the historic meeting in Xigang and wisely guided the struggle to deal a heavy political and military blow at the enemy.

He led the main unit to bring under control Pochonbo, which was one of the military vantage-points of Japanese imperialism at that time, in a moment, destroy the ruling establishments of the enemy and smash the Japanese imperialist aggressors stationed in Pochonbo, and then he made a speech inspiring the inhabitants to the great anti-Japanese war.

The Pochonbo battle showed that the people, who have a great leader and fight a heroic fight to shape the destiny of the country and the nation with their own efforts under the banner of the strong spirit of national independence, are sure to win in a showdown with any formidable enemy.

The revolutionary cause of chuche started by President Kim Il- song is being creditably carried forward by the great leader Comrade Kim Chong-il.

We must push ahead with the revolution and construction, firmly maintaining the strict chuche-based position, ardent patriotism and staunch fighting spirit of anti-imperialism which were displayed by the first generation of the revolution in the Pochonbo battle.

### Foreign Media on Kim Chong-il Chongnyon Letter

*SK0406083695 Pyongyang KCNA in English 0804 GMT 4 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 4 (KCNA) — Foreign mass media reported "On developing the movement of Koreans in Japan onto a new higher stage," a letter of the great leader Comrade Kim Chong-il to the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan on the occasion of the 40th anniversary of the formation of Chongnyon.

The May 29 edition of the Ugandan paper THE NEW VISION under the title "Letter of His Excellency Kim Chong-il, the Great Leader" said that in the letter he reviewed the achievements made by Chongnyon formed by President Kim Il-song in its activities over the past 40 years and advanced tasks facing Chongnyon.

Cambodian radio FM 90 on May 30 quoted His Excellency Kim Chong-il as saying in the letter that the formation of Chongnyon enabled the movement of Koreans in Japan to become a solid, national and patriotic movement guided by the chuche idea, and encouraged the Koreans in Japan to shape their destiny independently on the strength of the genuine organization of their own which represents and champions their national rights and interests.

The letter was also reported by radios of Zimbabwe, Equatorial Guinea and Tanzania and Radio Nacional and Radio La Cronica of Peru.

### Kim Chong-il Leads With Father's Authority

*SK0606101295 Pyongyang KCNA in English 1006 GMT 6 Jun 95*

["NODONG SINMUN on Absolute Authority of President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — NODONG SINMUN today carries a signed article headlined "The Great Leader Comrade Kim Il-song Is the Eternal Leader With Absolute Authority".

The great leader Comrade Kim Il-song was a legendary great man of the highest authority ever in human history, the article says, and goes on:

As recognized by the world, our leader was the man descended from the heaven who had all noblest personalities and qualifications a great man should have.

The great leader Comrade Kim Chong-il has this to say:

"The authority of our leader is an indestructibly absolute one and anybody bows his head and any strength is overpowered before the authority of our leader. The greatness and high prestige of our leader are officially recognized and highly praised by the world."

The fact that billions of people of the world with different political views, religious beliefs, languages and colours mourned the death of the fatherly leader in humble reverence during the mourning period last year clearly shows that the great Comrade Kim Il-song was, indeed, the worldwide leader who moved the world and how deep were the people's feelings of reverence for him.

Although the great leader Comrade Kim Il-song passed away, he is always with the people as the sun of chuche that gives light and happiness to all people, along with his absolute authority.

The absolute authority of the great leader Comrade Kim Il-song is that of the founder of the immortal chuche idea that brightly indicates, for the first time in history, the way of realizing the independence of the popular masses. It is the authority of a pioneer and leader of the socialist cause of chuche, who was the first in history to build man-centred socialism and lay all firm foundations for its ultimate completion and the authority of a tender-hearted father of the people, the incarnation of human love who had opened up a new era of benevolent politics and bestowed all love and trust upon the people.

The authority of the great leader Comrade Kim Il-song is the eternal ever-victorious banner of the Korean revolution and the dignity of chuche Korea that will shine all over the world for all ages.

It is the precious truth proved by the practical experiences of the Korean revolution that when the Korean people make revolution with the highest and greatest authority possessed by the great leader Comrade Kim Il-song can they successfully fulfill any difficult tasks in the revolution and construction and realize the independent reunification of the country and the complete victory of socialism.

The reunification of the country and the ultimate victory of the chuche revolutionary cause are surely guaranteed as long as there are the absolute authority of the fatherly leader praised forever as the sun of humankind and the great leader Comrade Kim Chong-il who is leading the revolution with the authority of the fatherly leader, the article stresses.

### Kim Chong-il Praised as 'Great Politician'

*SK0506142895 Pyongyang Korean Central Broadcasting Network in Korean 0940 GMT 3 Jun 95*

[Unattributed talk: "The Respected and Beloved Comrade Kim Chong-il Is a Great Politician"]

[FBIS Translated Text] The slogans of the party Central Committee marking the 50th anniversary of the founding of the Workers Party of Korea call on the people to deeply cherish in their hearts their fortune at being blessed with a leader who has been enjoyed by the people from generation to generation and to be endlessly loyal to the leader's [yongdoja] ideas and leadership.

The important question arising in faithfully upholding the leader's ideas and leadership is deeply acknowledging the greatness of the respected and beloved Comrade

Kim Chong-il as a great politician. As pointed out in the slogans of the party Central Committee, the great leader [yongdoja] Comrade Kim Chong-il is a great politician equipped with excellent ideas and leadership and who leads our party and people along the one road of victory.

The great leader Comrade Kim Il-song taught: Comrade Kim Chong-il is the people's true leader, possessing literary and military accomplishments. He is an outstanding thinker, theoretician, politician, and military strategist as well as a paragon of loyalty to the country and the people and to filial piety.

The great leader Comrade Kim Chong-il, with both literary and military accomplishments, is the people's true politician who is endlessly loyal to the fatherland and the people. There have been a few reputed leaders in the political history of mankind, and there are many political leaders in the world who lead parties and countries. However, we do not of know any leader who is more prominent than Comrade Kim Chong-il, the great leader of our party and people.

Truly, the great leader Comrade Kim Chong-il has won high respect and confidence from many people as a tested and veteran politician who wisely leads the party and people, completely equipped with features and temperaments that should be cherished by the political leader of the people. Most of all, the respected and beloved Comrade Kim Chong-il is a great politician who brightens the future road for the era and the revolution with a great philosophy by setting forth great ideas and theories.

If one wishes to engage in politics, he should have a philosophy, an idea, and a theory. When he is equipped with a philosophy, an idea, and a theory, only then can he have convictions and not dwindle under any circumstances. Such being the case, the ability of the leader and the level of his leadership depend on what philosophy, idea, and theory he has. Only the leader, with great profound philosophy and an excellent idea and theory, can correctly carry out politics with iron-willed conviction and reason.

Comrade Kim Chong-il, the great leader of our party and people, is a leader of leaders who has exceptionally profound knowledge in philosophy and is well versed in ideas and theories. Comrade Kim Chong-il, who was greatly interested in philosophy from his early days, has been thoroughly acquainted with the popular-mass centered chuche philosophy, the most scientific and revolutionary philosophy, with energetic insights and contemplation. On this basis, he has set forth numerous creative ideas, theories, strategies, and tactics. Thus, the profound chuche philosophy is imbued in the great leader Comrade Kim Chong-il's revolutionary theory and strategic tactics. Thus, the respected and beloved general's ideas and theories evoke the people's great repercussions and have become a powerful ideological and practical weapon for the development of the era and the revolution.

In the great leader Comrade Kim Chong-il's recently-published works — including "The Historic Lesson of the Socialist Construction," "Our Party's General Lines," and "Socialism Is a Science" — the urgent theoretical and practical questions arising from the intrinsic nature, superiority, scientific accuracy, and truth of socialism, as well as the party's leadership role as the lifeline of socialist construction which needs an immediate solution in today's international politics, are philosophically analyzed and explicitly explained.

In this way, chuche-oriented ideas and theories on socialism have been profoundly elucidated. As a result, our people more firmly believe in the invincibility of the popular masses-centered socialism of our own style and have come to more vigorously wage the struggle to achieve the ultimate victory of such socialism and powerfully encourage and inspire the struggle of the progressive people of the world for the revival and victory of socialism.

Today, political parties and public organizations of numerous countries throughout the world where socialism has collapsed and where capitalism has been reinstated are sympathizing with our party's socialist theories and vigorously carrying out the movement to revive socialism. This is clear proof showing the justness, truthfulness, and invincible force of the chuche-oriented ideas and theories on socialism.

Truly, the great leader Comrade Kim Chong-il has considered the chuche philosophy to be his firm belief; has deepened and developed the chuche-oriented theories on socialism; has ideologically and theoretically destroyed the antisocialist maneuvers by the imperialists and reactionaries; has resolutely protected and defended our own style of socialism; and has given the progressive people of the world a belief in the invincibility of socialism and a bright future for the victory of socialism. This example shows how great a politician the respected and beloved General Kim Chong-il is.

The great leader Comrade Kim Chong-il is also a benevolent politician who has practiced the politics of love and trust for the people, has single-heartedly united all people around the party and the leader, and has turned all of society into a grand harmonious family.

A politician should have benevolence. Moreover, a socialist political leader should have not only ability, but a noble virtue of boundlessly loving the people. This is because socialist politics is, in essence, the politics of love and trust for the people as well as benevolent politics.

Respected and beloved General Kim Chong-il, who brilliantly embodies the great leader's idea of believing in the people as in heaven, considers the people to be heaven, boundlessly prizes and loves them, and strongly trusts them. This a noble example of benevolent politics. Love and trust for the people is a basic characteristic of the great general's politics.

The respected and beloved General Kim Chong-il presented the slogan "Serving the people," ensured that the lines and policies of the party and state were mapped out and implemented for the sake of the people's interests, and led all officials to become genuine loyal servants who consider the people's interests to be the absolute criterion and who devotedly fight for the people.

Under today's difficult circumstances in which the imperialists and reactionaries persistently maneuver to crush the Republic, our people's political and ideological lives as well as their material and cultural lives are satisfactorily guaranteed to comply with socialist requirements; in particular, the new generation is being raised happily as the inheritor of the revolution. This would be unthinkable without our party's great love and warm consideration for the people.

The benevolent politics of the great leader Comrade Kim Chong-il are the politics of love and trust, all-embracing politics that indiscriminately extend love and trust to people from all walks of life. Therefore, under our party's all-embracing politics, each and every one of our people has a social and political life, the most valuable life, boundlessly glorifying it and leading a worthwhile life.

The respected and beloved general's boundlessly noble love and trust for our people leads our people to be boundlessly loyal to the general. Our people, who are deeply grateful to our party's benevolent politics, are upholding the great general as well as his ideas and leadership with a single desire to repay such benevolence with loyal deeds.

Under the slogan "What the party decides, we will do!" our people are bringing about brilliant labor feats in grand socialist construction, while young and middle-aged people volunteer to work at difficult sites to glorify the party's ideas. This is an example that shows the perfect harmony and single-hearted unity between the party and the people in which the party and the leader trust the people, and in which the people follow the party and the leader.

Our party's politics of love and trust for the people make a beautiful communist trait in which the people help and lead each other, and the traditional and beautiful trait of Army-people unity comes into full bloom across the country. Our party's politics also make all of society a grand harmonious family strongly united around the collective principle of "one for all and all for one."

Truly, the great leader Comrade Kim Chong-il has helped the brilliant tradition of benevolent politics provided by the great leader reach its full bloom, has single-heartedly united all people around the party and the leader, and has made all society a grand harmonious family in which the party and people achieved perfect unity.

As a result, in our country single-hearted unity among the leader, the party, and the masses has reached the highest stage, and the most solid single-hearted unity has taken root. Therefore, our own style of socialism has been strongly consolidated into an invincible socialism.

With the politics of love and trust for the people and with benevolent politics, the respected and beloved General Kim Chong-il has achieved single-hearted unity and perfect harmony among the leader, the party, and the masses which no politician in the world has ever achieved, and has accelerated the march of the era and the revolution on the strength of single-hearted unity. This is another example of the greatness of the respected and beloved General Kim Chong-il as an outstanding politician.

Our party and people uphold the respected and beloved Comrade Kim Chong-il, the greatest politician whom the world's political history has ever known, as the great leader [yongdoja]. This is their greatest happiness and greatest honor. Because we uphold the great General Kim Chong-il, our Korea is renowned as an ideologically and politically powerful country, and our Republic as a single-heartedly united, invincibly powerful socialist country. Our people are leading happy lives under the most excellent and popular masses-centered socialist system.

Cherishing this honor and pride deep in their hearts, our people will more highly uphold the great leader Comrade Kim Chong-il with loyalty, devotion, and single-mindedness; further strengthen the might of single-hearted unity; and further glorify our country and our fatherland.

### Kim Chong-il 'Social Collective' Concept Lauded

*SK0306105295 Pyongyang KCNA in English 1033 GMT 3 Jun 95*

["Social Collective Is Parent Body of Man's Socio-Political Integrity" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 3 (KCNA) — NODONG SINMUN here today carries an article entitled "Social Collective Is Parent Body of Man's Socio-Political Integrity".

The article says that in his famous work "Socialism Is a Science" the great leader Comrade Kim Chong-il put forward an idea that the social collective is the parent body of man's socio-political integrity. It goes on:

The social collective is the parent body of man's socio-political integrity. This means that the social collective gives socio-political integrity to people and enhances it as the mother gives birth to her child and takes care of it.

If man is to have socio-political integrity, there must be a social collective. Because the socio-political integrity is what only man, a social being, can maintain. He can receive it when he is a member of the social collective.

Only when the people are combined with the social collective they can receive socio-political integrity with dignity and value as a social being.

That the social collective is the parent body of man's socio-political integrity means it is in essence, the bosom of the party and the leader.

Because the leader is the centre of the life of socio-political collective and the party is the backbone of the socio-political organism.

The leader is the centre of the socio-political integrity which represents the independent demands and interests of the popular masses and lead the struggle for its realization in a unified way.

The leader founds the guiding idea of revolution reflecting the demand and desire of the popular masses and wisely leads their struggle for its realization. The leader is the true father and protector who gives people eternal socio-political integrity and enhances it.

The idea of Comrade Kim Chong-il has a great theoretical and practical significance.

Above all, it provides a foundation to comprehensively indicate the collectivist view of life and wholly systematize it.

It also gives precious guideline so that the party members and working people can get correct understanding of essential advantages of the Korean-style socialism and struggle to the end for the accomplishment of the socialist cause of chuche.

The Korean people have the precious socio-political integrity and enjoy the noble life. Therefore, they devotedly struggle for the fatherland and the people, society and the collective in single-hearted unity, entrusting their destiny to the party and leader.

### Kim Chong-il Lauds Farm Functionaries

*SK0406114395 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 2 Jun 95*

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, highly assessed Kang Song-il, member of the Pyongyang municipal party committee; Yun Yong-sok, member of the Chorwon County party committee; Yu Kyong-hwan, member of the Kimhwa County party committee; and Yi Myong-chik, professor at Nampo Communist College, who are advancing into socialist farms by highly upholding the party's policy that agriculture is best.

They, who grew up to be respectable party functionaries in the bosom of the party and the leader [suryong], strengthened our party worthy of fighters and followers of the great leader [suryong], and they worked devotedly more than anyone else during the past to further make the socialist fatherland rich and powerful.

Kang Song-il, member of the Pyongyang municipal party committee, graduated from Kim Il-song University, which is the supreme sanctuary of science, and after carrying out activities as a member of the three revolutions teams movement, he worked as a party functionary. He said that repaying the indebtedness of the party and the leader [suryong] is a duty of a party member, and he offered to advance into a cooperative farm in Kangdong County with his family.

Yun Yong-sok, member of the Chorwon County party committee, said that the party functionaries must further firmly consolidate their position in the socialist farm and stand at the forefront in increasing grain production. He advanced into the (Puhap) cooperative farm with his brother and sister-in-law, who are working at the county economic life management work site and a kindergarten, as well as his family. Yu Kyong-hwan, member of the Kimhwa County party committee, pledged to devote his life to the great leader [suryong] and in the work to cause our party's plan for rural construction to blossom. He advanced to the (Chutae) cooperative farm with one mind to uphold our party with rice.

Embraced with a mind to repay the faith and love of the dear comrade leader, who helped him become a professor, with increased grain production, Yi Myong-chik, professor at Nampo Communist College, offered to advance into a cooperative farm in Yonggwang County, which is his hometown, with his family.

After receiving a report on their deeds, Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, highly assessed them by saying that they are good comrades.

They are infinitely encouraged by the the great faith and love of the great leader [yongdoja] Comrade Kim Chong-il, who highly assesses even a little deed of the functionaries and puts them at the forefront. Currently, they are upholding the party Central Committee's slogan on the occasion of the 50th anniversary of the party founding and are defending the agricultural front line, which is the most important front line for implementing the party's revolutionary economic strategy. Thus, they are overflowing with the revolutionary enthusiasm to uphold our party through increased grain production and endlessly elucidate a socialist system of our own style centered on the popular masses.

### Kim Chong-il Thanks Units for Setting Examples

*SK0306114295 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 1 Jun 95*

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il sent a thank-you message to functionaries, workers, and teachers and students who showed examples in the work to support the People's Army and give medical treatment to soldiers.

Comrade Kim Chong-il, the Korean People's Army [KPA] supreme commander and the great leader [yongdoja] of our party and our people, sent a thank-you message to functionaries of the Pyongyang Livestock General Bureau; employees of the Pyongyang Artists Motel; farmers of the Sangpyong cooperative farm in Kim Chaek City; medical functionaries of the (Cha Songkon) People's Hospital; and teachers and students of the Central Athletic Institute, who showed examples in the work to support the People's Army and give medical treatment to soldiers.

Meetings to deliever the thank-you message of KPA Supreme Commander Comrade Kim Chong-il, who is the great leader [yongdoga] of our party and our people, were held at related units. Functionaries concerned, workers, and teachers and students of related units participated in the meetings.

At the meetings, the great leader [yongdoja] Comrade Kim Chong-il's thank-you message was delivered amid enthusiastic applause by the participants. Next, resolutions were made and discussions were held. At the meetings, a letter of pledge and resolutions to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, were adopted.

### Song 'Family Tradition of My Country' Praised

*SK0606103495 Pyongyang KCNA in English 1029 GMT 6 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 6 (KCNA) — A song "Family Tradition of My Country" is widely sung among the Korean people.

The song sings of the true looks of the Korean society where the leader assumes full responsibility for the destiny and future of the people and the people absolutely worship their leader and uphold him in a pure and clean mind.

It is the proud family tradition of the Korean people to hold in high esteem and follow the great leader Comrade Kim Chong-il with a single heart of loyalty and filial piety.

The people cherish deep in mind the truth that Comrade Kim Chong-il is all of life and happiness and a mental support, the truth that is based on their experiences.

Comrade Kim Chong-il is exalting the anthropocentric socialism of Korean style, carrying forward the idea of "believing in the people as in heaven" advanced by the great leader President Kim Il-song, who devoted his whole life to the people. Finding the father of the country, a large harmonious family, in the person of Comrade Kim Chong-il, the Korean people devote loyalty and filial piety to him with a single heart.

"I wish you will sincerely hold in high esteem respected supreme commander General Kim Chong-il, our fate, life, destiny and future, I ask you once again."

This was written by Mun Chong-hwa, head of a chair of Kim Il-song University of Politics, reflecting the desire of the Korean people.

Though he was suffering from an incurable disease, he never stopped teaching a class to the last breath. He left those letters for his students majoring in politico-military science before breathing his last.

Indeed, it is the firm faith and will of the people and servicemen of Korea that their destiny and life lie in holding Comrade Kim Chong-il in high esteem as the father of the country, a large harmonious family.

Invincible is socialism of Korea where the Korean people are under the loving care of Comrade Kim Chong-il and the people regard it as their faith to hold him in high esteem.

### Rice Transplanting Work Accelerated Nationwide

*SK0406213095 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 3 Jun 95*

[FBIS Translated Text] Farm villages in various regions are markedly enhancing rice transplanting results. According to overall material provided by the Agriculture Committee, as of 1 June over 70 percent of rice transplanting had been completed throughout the nation. South Hamgyong Province had completed 90 percent of rice transplanting and Pyongyang, Kaesong, and Nampo cities had completed over 80 percent of rice transplanting. Also, as of 31 May, rice transplanting for a bumper harvest was carried out throughout the overall area of rice paddy fields including rice seedbeds at the state-run farm in Mangyongdae District, which is highly manifesting the superiority of the system of all-people property. Also, nationally, some 220 farms have completed rice transplanting.

Functionaries and agricultural workers of the rural economy sector of South Hamgyong Province, who are upholding the party's intention, are scrupulously planning militant organization and command work and while firmly putting preceding processes in the forefront, they are guaranteeing full operation of the rice transplanting machines. Thus, they are overfulfilling their given target by over 1.4 times. Therefore, rice transplanting has already been completed at many cooperative farms, and rice transplanting is being accelerated in its last stages in various cities and counties including Hamju County, Chongpyong County, and Kumya County.

At farm villages in Pyongyang, Kaesong, and Nampo cities, functionaries are going to the scene of battle according to the demand of the Chongsan-ri spirit and Chongsan-ri method; are repeatedly explaining to the masses the content of the party Central Committee's slogans; and are actively calling forth their enthusiasm by setting examples and teaching by practice rather than precept. Thus, rice transplanting is being carried out in more areas of rice paddy fields than daily targets.

In these farm villages, in accordance with having completed corn planting ahead of schedule, they established in detail militant plans and are guaranteeing full operation of agricultural machines including tractors and machines for rice transplanting.

At farm villages in South Hwanghae Province, which is the Sohae granary, all strength is concentrated in rice transplanting. Thus, these days, rice transplanting is being carried out at over 7,000 chongbo [1 chongbo = 2.45 acres] of rice paddy fields.

In particular, agricultural workers of Yonbaek plain are accelerating rice transplanting with one mind to thoroughly implement the great leader's [suryong] teachings that he gave when he visited their farm. Those teachings will never be forgotten. Therefore, in Kaechon County, over 90 percent of rice transplanting has been completed in the rice paddy fields.

At various county farm villages in South Pyongan Province including Pyongwon County, Onchon County, Chungsan County, and Mundok County, the work to harrow fields was completed one week ahead of schedule by enhancing the responsibility and role of tractor drivers, and the rice transplanting target was guaranteed on schedule, and by enhancing the rate of operation of machines for rice transplanting to the utmost, the daily rice transplanting target is being guaranteed over 9 percent of the overall target.

Agricultural workers in North Pyongan Province and North Hwanghae Province are also accurately guaranteeing the number of plantings per pyong [1 pyong = 3.954 square yards] and the number per planting from the position of being masters responsible for the country's rice granaries, and are all the more accelerating to complete rice transplanting at the most suitable time to enhance total grain output.

### Radio, TV Report Rice Planting Successes

*SK0506145895*

[FBIS Editorial Report] The following is a compilation of DPRK radio and television reports during the period 2 to 4 June regarding rice planting and other farming in various areas.

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 2 June carries five reports on farming activities: an under-one-minute report on the completion of rice planting in the state-run Songnam Cooperative Farm in Sukchon County "in only 10 days"; an under-one-minute report on rice planting by cooperative farms in the Anbyon Plain being completed on schedule through the proper operation of rice planting machines; a three-minute report containing an interview with chief engineer Yi In-kwon of the Pukchi Cooperative Farm in Chaeryong County, who stated that "owing to the high resolve of the farmers, we plant rice in 7 to 8 percent of the allocated paddies every day"; a one-minute report on the excellent method of rice planting by the Poman Cooperative Farm in Sohung County, whose rice planting machine drivers calculate the optimum quantity of seedlings per pyong (3.3 square meters) in accordance with soil quality; and another one-minute report on the weeding of cornfields by cooperative farms in South Hwanghae Province, noting the best record in Chongdan County which completed the weeding of 80 percent of its cornfields.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 2 June carries one to two-minute reports on the farming status. The Yonggyo Cooperative Farm in Kangnam County is in the final stage of rice planting with the help of functionaries of the State Tourism General Bureau. The Kaun Cooperative Farm in Hoechang County is accelerating the planting of healthy rice seedlings. The Iryang Cooperative Farm in Kyongsong County is overfulfilling daily rice planting targets. The Segol Cooperative Farm in Changpung County is also in the final stage of rice planting, while the No. 3 and 4 workshop have already completed their share. The Kumjong Cooperative Farm in Taedong County is improving the rice planting records daily with the help of functionaries of the Sport Facilities Management General Bureau and the members of the 5 July Youth Construction Shock Brigade.

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 2 June carries one- to two-minute reports on the farming status in three provinces. Paechon, Tokchon, and Sinyang Counties in South Pyongan Province already finished rice planting, and other farms are in the final stage. Twenty cooperative farms and 304 work units completed rice planting in South Hwanghae Province. Cooperative farms in Kangwon Province completed the weeding of 40 percent of their cornfields. At 2200 GMT, the radio reports on farming activities of cooperative farms in Kangwon Province, which doubled the amount of rice planting planted a few days earlier; Changpyong Cooperative Farm in Chagang Province is fulfilling 110 percent of its daily rice planting targets.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 3 June carries three under-one-minute reports: agricultural workers of the Changsu Cooperative Farm in Anju plant rice 1.5 times greater than their target every day; the Youth Unit of the Taechu Cooperative Farm in Anak County is the first unit of the farm to complete its rice planting; and the Taeryong Cooperative Farm in Onchon County completes 9 percent of its rice planting daily.

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 3 June carries an under-one-minute report on agricultural technicians in Unjon County "strengthening technical guidance in rice paddies," enabling the agricultural workers to finish 10 percent of their planting daily.

At 2100 GMT on 3 June, Pyongyang Radio carries three reports on the farming status. The first one-minute report notes agricultural workers in Nampo completed an average of 83 percent of their rice planting as of 1 June; the report compliments those farms that completed their rice planting ahead of others. The second under-one-minute report says cooperative farms in Mundok County in South Pyongan Province complete 7 to 8 percent of their rice planting daily. The last two-minute report contains an interview with Pak Tong-su, chief engineer of the management committee of the Nangnang District Cooperative Farm in Pyongyang, who commended those farms that finished weeding cornfields, attributing their achievement to Kim Il-song's on-the-spot teachings given years ago. Pak said: "Other farms in the district will learn from these farms."

At 2200 GMT, Pyongyang Radio carries a two-minute report containing an interview with Choe Chong-yang, chairman of the management committee of the Kulsan Cooperative Farm in Anak County, who mentioned the names of the outstanding workers and commented: "The Youth No. 1 and No. 2 Units completed their share of rice planting ahead of other units, which will also complete rice planting in one or two days." The report was followed by an under-one-minute report on the weeding of cornfields in Yontan County in North Hwanghae Province. The Changwon Cooperative Farm was the first to complete its weeding in the county. Other farms completed an average of 92 percent of their weeding.

At 1200 GMT on 4 June, Pyongyang Radio carries a one-minute report on cooperative farms in Unsan County completing 7 to 8 percent of their rice planting every day. The report commends the Ungbong and Masan Cooperative Farm, which grew healthy seedlings "despite the unfavorable weather condition." The report was followed by an under-one-minute report saying cooperative farms in Chosan County in Chagang Province "plant rice in a wide area of paddies every day." The report lists the name of the farms that completed their rice planting targets.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 4 June carries a one-minute report on the Hyongsan Cooperative Farm in Hyonjesan District scientifically managing the farm, upholding Kim Chong-il's on-the-spot guidance made 25 years ago. The report was followed by a one-minute report on the Changson Cooperative Farm in Hwangju County, which "has a wide area of paddies." The report says the farm accelerates rice planting by accurate planning and implementation. The report adds that KCNA functionaries and reporters came to help the agricultural workers.

### Sunchon Station Scores Transport Gains

*SK0306103395 Pyongyang Korean Central Television Network in Korean 1100 GMT 2 Jun 95*

[FBIS Translated Text] Today marks the significant day of when the dear leader Comrade Kim Chong-il made on-the-spot guidance at Sunchon Station.

Functionaries and transport fighters of Sunchon Station are achieving great results in passenger and cargo transport on the occasion of the 20th anniversary of the on-the-spot guidance. To implement the programmatic teaching by the respected and beloved General Kim Chong-il on giving accommodations to the passengers, they achieved innovations of overfulfilling the first half of this year's transport target by 102 percent by vigorously carrying out the 18 May no-accident, on-time, traction-standard-surpassing movement ignited by the party.

Functionaries and transport fighters of Sunchon Station who are embracing in their hearts the party Central Committee's slogans, are all redoubling their efforts by putting forth the goal of newly building service facilities to provide better traveling conditions for the guests.

### 17 Mar Power Station Workers Increase Output

*SK0306103295 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 2 Jun 95*

[FBIS Translated Text] With the spirit of having overfulfilled the May target, electricity producers of the 17 March hydroelectric generation complex are continuing to achieve innovations.

Embraced with the one mind of loyalty to welcome the 50th anniversary of the party founding as a great festival of the victors, electricity producers here who highly overfulfilled the May target by 1.3 times more than the month before, are operating at full capacity all the facilities, thus overfulfilling the daily targets.

In particular, electricity producers of the No. 3 power generation work site and the Puryong power generation unit carried out water management well by putting more strength in managing facilities, thus achieving the result of overfulfilling the May target by 102 percent.

## South Korea

### U.S.-DPRK Nuclear Talks in Malaysia Reported

#### 'Final Tug of War' on Reactor Issue

*SK0506231395 Seoul KBS-1 Radio Network in Korean 2205 GMT 5 Jun 95*

[Report by Yi Hyon-chu from Kuala Lumpur]

[FBIS Translated Text] The United States and North Korea, which are holding talks in Kuala Lumpur to resolve the light-water reactor issue, have considerably narrowed their differences of opinion. However, they are reportedly trying out their strength against each other in a final stage over some pending important questions, such as North Korea's additional demand.

A diplomatic source in Kuala Lumpur stated: During the working-level talks on 1 June, the United States and North Korea rapidly narrowed differences of opinion in large part on important issues, including ROK's central role and on a smaller scale on the question concerning the provision of ROK-type light-water reactors.

The source also stated: However, with North Korea's abrupt additional demand made last weekend, a final tug of war is occurring between the United States, which is trying to abide by its principles, and North Korea, which is trying to have the United States make more concessions before the end of the talks.

According to yesterday's agreement to continue the talks, the United States and North Korea will resume normal talks on 6 June, and the coming weekend will be the climax of the talks.

#### North Said To Okay ROK Contractor

*SK0606064795 Seoul MUNHWA ILBO in Korean 6 Jun 95 p 1*

[Report by Yi Pyong-chun]

[FBIS Translated Text] At the North Korean-U.S. semi-high-level talks held in Kuala Lumpur, Malaysia, North Korea expressed its position of not objecting to the ROK's Korea Electric Power Corporation assuming the role of a main contractor in the project of furnishing light-water reactors to North Korea, it has been confirmed today.

A responsible government official well-versed in the North Korean-U.S. talks said: "North Korea made it clear that it does not care where the light-water reactors are produced and that it will allow ROK engineers and technicians to enter North Korea for the construction of the light-water reactors."

He went on to say: "The negotiation is facing difficulties in the final stage as North Korea has threatened to unfreeze its nuclear program unless it is given additional assistance in accessory facilities for the construction of light-water reactors, which North Korea began to demand late last week in return for acceptance of the ROK's central role. However, we do not think North Korea will easily abandon the overall framework of the talks, and this is why North Korea is prolonging the talks tiresomely."

The government official continued: "The North Korean position is to admit the ROK's central role in the total process of the light-water reactor project, such as in the provision, design, and production of light-water reactors; facilities building, and the management of the project." The official added: "We have yet to solve the problem of how this will be specifically indicated in the North Korean-U.S. agreement that will be the basis for the agreement for the supply of light-water reactors."

He said: "The position of the United States and the ROK is to find the maximum face-saving expression for North Korea in the agreement." He then noted: "Instead of making specific references in the agreement to the name 'ROK standard model' or to 'the Korea Electric Power Corporation' as a main contractor, the agreement will contain expressions by which one can readily see that the reactors are ROK-model ones and that the ROK is playing a central role."

### Two DPRK Delegates Ordered Home

*SK0606081395 Seoul YONHAP in English*
*0807 GMT 6 Jun 95*

[FBIS Transcribed Text] Kuala Lumpur, June 6 (YONHAP) — Two of the seven-member North Korean delegation to the nuclear talks with the United States here, in a gesture of displeasure at the negotiations, abruptly returned home Tuesday morning.

The two are deputy chief negotiator Yi Hyong-chol, Foreign Ministry's American bureau director-general, and Foreign Ministry research officer Kim Yong-kil.

A North Korean Embassy official said, "The two returned home this morning under an order from the home government... We are suspicious about U.S. intent toward the present talks."

"Should the United States be willing to implement the light-water nuclear reactor project, there could be no reason why it should be unable to accept any of our demands," the official said, hinting that the two delegates returned home to display Pyongyang's displeasure at U.S. rejection of its demand for provision of auxiliary facilities to nuclear power plants.

Asked if North Korea will defreeze its nuclear development program as it has threatened, the official responded, "We have to wait and see. It's difficult to say for sure."

Another official of the North Korean Embassy suggested the issuance of a possible statement as to whether or not to continue the current talks saying, "Yi Yong-ho, deputy director-general of the Foreign Ministry's Disarmament Bureau, will issue a statement following this afternoon's meeting."

### U.S. Congressman Comments on DPRK Succession

*SK0606093795 Seoul YONHAP in English*
*0927 GMT 6 Jun 95*

[FBIS Transcribed Text] Seoul, June 6 (YONHAP) — U.S. Rep. Bill Richardson (D-New Mexico), who made a four-day visit to North Korea beginning last Saturday, flew into Seoul Tuesday afternoon via Beijing.

Richardson told reporters at Kimpo International Airport that he met North Korean authorities nine times during his visit there to discuss the proposed offer of rice to the North, repatriation of South Korean fishing boat "86 Usong-ho" taken to the North last Tuesday, and the current Washington-Pyongyang light-water nuclear reactor talks in Kuala Lumpur.

He declined to elaborate saying, "The outcome of my visit to North Korea will be disclosed in a press conference following my meeting with your Foreign Minister Kong No-myong Wednesday morning."

Richardson visited Pyongyang on the first leg of his North Asian tour over the weekend. He is scheduled to leave the country following his breakfast meeting with Kong at the Hilton Hotel and a subsequent press conference Wednesday.

Asked when he thought North Korean leader Kim Chong-il would formally ascend to the helm of power by reporters at Beijing Airport en route to Seoul, Richardson said, "A major announcement involving power succession is expected to be made following the first anniversary of the death of Kim il-song early next month."

### DPRK Delegation Holds Trade Talks in U.S.

*SK0606051495 Seoul YONHAP in English*
*0500 GMT 6 Jun 95*

[FBIS Transcribed Text] New York, June 5 (YONHAP) — A five-member North Korean trade delegation, now visiting America for the first business talks with the United States since the end of the 1950-1953 Korean war, conducted Monday negotiations with a U.S. mineral company on North Korea's export of magnesite.

The outcome of their business consultations were not immediately known, but sources here said that the North Korean mission, led by chief secretary O Tae-pong of the North Korean International Trade Promotion Committee, have nearly agreed to export some 100,000 tons of North Korean magnesite annually to Mineral Technologies Co.

The New-York based mineral company invited the North Koreans to hold business talks to import the mineral from the communist country, which is valued at 10 million U.S. dollars.

While continuing the business talks until Tuesday, the North Korean delegates are scheduled to look around the U.S. company's fireproofing and mineral factories located in Philadelphia and New Jersey Wednesday and Thursday.

Han Song-yol, minister of the North Korean Mission to the United Nations, said Monday that his country is willing to expand the economic and trade relations with the United States, adding that "in this sense, the North Korean trade mission's first trip to the United States bears significance."

He maintained that the trade with the United States concerning the export contract of magnesite will be realized in the form of a letter of credit (LC) opening.

Meanwhile, the U.S. company disclosed in a statement that the company's import of magnesite from North Korea was in accordance with the U.S. Government's partial lifting of its trade sanctions against the communist country that followed the U.S.-North Korean nuclear framework last October.

A company official explained that the company applied with the U.S. Government to allow its import of the mineral as China, which used to be the major supplier of magnesite, has raised the mineral's export price by more than 100 percent over the past 18 months.

## U.S. Military Helicopter Crashes, 6 Injured

*SK0606052995 Seoul YONHAP in English 0524 GMT 6 Jun 95*

[FBIS Transcribed Text] Hwasong, Kyonggi Province, June 6 (YONHAP) — A U.S. military helicopter crashed into a hill at Mado-myon, Hwasong County in Kyonggi Province at 12:20 pm Tuesday.

Six U.S. Air Force personnel, including the pilot aboard the chopper, were injured and immediately moved to Osan U.S. Air Force base.

The UH-60 helicopter of the U.S. Air Force apparently crashed due to sudden engine trouble.

## WTO Financial Talks, U.S. Stance Viewed

*SK0606005695 Seoul THE KOREA TIMES in English 6 Jun 95 p 9*

[FBIS Transcribed Text] Deputy Finance and Economy Minister for International Affairs Sin Myong-ho yesterday left for Geneva to participate in 11th-hour negotiations with major countries to ensure the successful conclusion of the multilateral financial market-opening talks, which have been underway since March at the World Trade Organization [WTO].

Unlike the previous negotiations, high-level officials of WTO countries, including Minister Sin, will attend the meeting for a "political decision" on sensitive issues which were unresolved before, to conclude the global pact on the multilateral financial market-opening before the end of this month, an official of the Ministry of Finance and Economy official said yesterday.

Seoul has already submitted its "offer list," which is a commitment to open specific financial sectors multilaterally. But Minister Sin will meet his American and European counterparts this week.

U.S. officials said Korea has made an important move toward ensuring the successful conclusion of the pact but they are eager to squeeze from Korea more concessions.

The United States and the European Union want Korea to allow foreign banks here to do business in Korea on the basis of their head office's global capital, not their branch capital. All of their business is linked to the size of their branch capital. If the request should be accepted, Citibank in Seoul will be doing more business than the combined capital of the five Seoul-based Korean banks, a government official said.

Korea is also being goaded into scrapping the foreign stock ownership ceiling and the current limit barring a single foreigner from owning more than 3 percent of a listed company's shares. Seoul is also being requested to allow foreigners to become major shareholders of the existing investment trust companies or investment advisory firms, according to government officials.

The European Union is asking Korea to introduce the professional insurance brokerage system, a system which does not exist here.

In March, Korean policymakers have repeatedly emphasized that Korea will make a concession only when other WTO countries, including the United States, make corresponding concessions.

But the Ministry of Finance and Economy has not made any comment on what kinds of concessions they are getting from WTO countries to improve the operating environment of Korean financial institutions overseas, in return for major concessions Seoul is making to foreign countries, a critical Seoul professor said.

### Government To Hasten Financial Liberalization

*SK0206074895 Seoul YONHAP in English 0636 GMT 2 Jun 95*

[FBIS Transcribed Text] Seoul, June 2 (YONHAP) — South Korea would advance the timing of the planned liberalization of its financial sector to the earliest possible date, Deputy Prime Minister Hong Chae-hyong said Friday.

"If conditions allow it, we will take third-phase steps to deregulate and open the financial sector ahead of schedule," Hong said.

In a speech at the inaugural meeting of the Association of Development and Industrial Banks in Asia (ADIBA) held at the Shilla Hotel, the deputy premier said South Korea will steadily improve investment conditions while expanding the number of business lines in which foreigners may invest.

He then lauded the creation of ADIBA, saying "It is most timely that major Asian Development Banks formed a consultative organization at a time when the age of the Asia-Pacific is unfolding."

ADIBA was formed by the major industrial banks of seven Asian countries: Japan, China, Singapore, Malaysia, Indonesia, Thailand and South Korea. The participating South Korean bank is the Korea Development Bank.

Kim Si-hyong, governor of the Korea Development Bank, was chosen as the first president of the association, which has a duty to extend financial support to large-scale projects in the Asian region.

### Korean-American Minister Writes on DPRK Visit

*952C0107A Seoul MAL in Korean Mar 95 pp 66-69*

[By Chong Ki-yol, minister, vice chairman of the Washington National Movements Alliance: "Public Sentiment in Pyongyang Around the Time of the Helicopter Incident"]

[FBIS Translated Text] **My Fifth Visit to Pyongyang**

I visited Pyongyang on 20-27 December 1994. It was my fifth visit overall, and the first in three and a half years since the previous visit in the 1991 spring which was for coordinating the second international peace march. Although my previous four trips were all related to the international peace march program, the latest one was for candid discussions with North Korean officials in charge of reunification programs on the issue of solidarity and cooperation between reunification movements at home and abroad—which are based on the tripartite solidarity of North, South, and overseas Korean groups—with the approach of reunification. That made me feel a relatively heavy burden, mentally.

However, considering the political reality of the South—which says it is working for reunification but cannot have direct, face-to-face talks with the North, its partner in reunification—we, the overseas activists, feel that we should do our part to help find a breakthrough. It was this sense of obligation that enabled me to overcome various difficulties and pressures.

I was accompanied by Han Ho-sok (chairman of the policy committee of the New York Independent Peaceful Reunification Movements Alliance). We flew by a Koryo Civil Aviation plane to Pyongyang, arriving at Sunan Airport on the evening of 20 December. It was chilly but not as cold as I had anticipated. Before leaving on the trip to the North, I had a number of things on my mind that I wished to clarify during the visit. Of them all, I was most anxious to find out how the people of the North are coping with the situation created by the unexpected death of President Kim Il-song, "the great leader" whom they had respected and followed for nearly half a century, how they are coping with the vacuum of leadership thus caused, for the first time in nearly 50 years, where the succession issue for the new leader stands now, and how the North's defense and security situations, as well as its political, social and, in particular, economic realities, are.

We were met at the airport by a guide from the Committee for the Peaceful Reunification of the Fatherland [CPRF]. We asked him to take us to where a statue of President Kim is. We wanted to confirm the reports we had read that wherever a statue of President Kim stands, there is an unending stream of people mourning his death.

#### Grandma Wrings Her Weeping Heart

It was about 8 P.M. Pyongyang was under a dark sky. Now the air was even chillier. The site of President Kim's statue standing on the Mansudae hill, where the Mansudae Assembly Hall and the Korean Revolutionary Museum are located, was crowded with mourners. At such cold, late hours, collective mourning was going on in an orderly manner. There was no end to lines of mourners climbing the 100-meter-long flight of stone steps leading to the statue.

A solemn, mourning music, said to have been prepared for the endless waves of mourners, was being played, while the voice from the loudspeaker regularly signaled them for a minute of silent prayer. Otherwise, we saw no one guiding or controlling the procession of the huge crowds which was still continuing at the evening hour. We found 100 people standing on one side. They were those who volunteered to serve as principal mourners, including school children, and men and women of all ages. They stood there upright, braving the cold, keeping vigil for the person they had called "the fatherly leader" and followed showing the same respect as they would for their own parents.

Official condolences arrived even from Western nations such as the United States, Japan, France, and Russia, as well as from China, Cuba, Vietnam, Cambodia, and other countries traditionally friendly to North Korea, and Third World nations. Large and small memorial events, including state-level events, were held in more than 150 countries, according to video tapes I saw. The footage showing UN Secretary General Butrus Butrus-Ghali and ambassadors of various countries to the United Nations and Evangelist Billy Graham visiting the North Korean UN mission in a small New York apartment, to express their condolences, struck me as if it were a story of a faraway land, very remote from the controversies I had experienced in South Korea over the condolence issue there in the wake of President Kim il-song's death.

I left Pyongyang on 27 December, the Constitution Day, which is one of the biggest holidays. It was a very cold day. In the morning, before leaving for the airport, I asked for another visit to the Mansudae hill. The place was literally covered with human waves. I was told that even more people visit the statue on holidays. We made our way close to the area adjacent to the statue covered with flowers. We first thought that the continued sobbing heard from afar were cries amplified through the loudspeaker; close to the statue, however, we saw something quite amazing. In the area near the base of the statue covered with flowers, we saw an old woman weeping plaintively on her bent knees. The air was cold, even to young healthy men. The old woman did not move for more than 10 minutes. Although sobbing was everywhere among the mourners, her weeping seemed a bit different. She was wringing her heart. We left her side and came down the hill.

### "We Downed U.S. Military Helicopter at a Single Shot"

I read reports on the U.S. helicopter incident in a Japanese newspaper in the airplane taking me from Japan to China on 19 December. The recorded NHK-TV news program shown in the plane also had reports on the incident, including that on the day of the incident, a member of the U.S. House of Representatives, Rep. Richardson, was visiting Pyongyang. I became concerned about the possibility of the unexpected happening adversely affecting my visit, the first in a long time. The incident came at a time when I was worried over prospects of the Republicans—who thoroughly represent the interests of military industries—getting increasingly arrogant as the ultrarightists continue to reinforce their position in the U.S. Congress, in which the GOP gained control following its sweeping victory in the November elections last year. I could not shake off an ominous premonition. Would the incident put to the test the historic U.S.-North Korea accord on ending antagonism and normalizing diplomatic relations for the first time in half a century? I recalled the 1967 Pueblo incident in which the USS Pueblo engaged in espionage activities in the East Sea was captured and detained by North Korea. At the time, U.S. authorities, demanding the return of the crew and ship, made a nuclear threat against North Korea with no hesitation. All these things flitted through my mind.

I was anxious to know the reactions of the North Korean authorities and public to the incident. I later learned from newspaper accounts that the incident sent the South Korean and U.S. media into an uproar. However, in North Korea, the other party involved, it was, I found, as if nobody had even been aware of the incident. To be more precise, their attitude was "we don't care" about the political and military blackmail and threats being made by the U.S. side. The response shown in a NODONG SINMUN editorial was: "We shot down, at a single shot, a U.S. military helicopter which, despite warnings we made twice, unlawfully intruded into, and continued its flight in, the territorial sky of our country." "We will not tolerate any forces violating even 0.0001 of a millimeter of the territory, the territorial sky, or the territorial sea of the DPRK and making light of the sovereignty of our country." The implication was that it was evidently caused by an error of the U.S. side, and that in view of its seriousness, the demand for the return of the crew would not be honored unless the U.S. Government made an apology appropriate for it.

### Why the U.S. Cannot Strike North Korea

No one seems to disagree that the helicopter incident ended in North Korea's victory, politically and diplomatically. Despite the persistent denials by South Korean authorities and the U.S. Government, the fact was that, in the process of reaching a settlement over the incident, the U.S. Government virtually invalidated the UN Command delegation to the Military Armistice Commission, a body it had used to camouflage its military control of South Korea in the guise of the UN Command for more than four decades, effectively acceding to North Korea's demand for direct U.S.-North Korea military contacts. Gary Luck, commander of the U.S. Forces in Korea, personally met with a North Korean general officer in Panmunjom in an effort to negotiate the return of the crew. Also, Thomas Hubbard, deputy assistant secretary of state, was sent to Pyongyang as President Clinton's special envoy to express a sort of official apology. Those kinds of things had been unprecedented since the Korean war.

World history for the past decade or so shows that the United States has been a military and economic superpower, and that forces challenging its authority and pride have never been left unpunished. Among the cases familiar to us is Panama's General Noriega. When Noriega, who had been on the U.S. CIA's payroll and loyal to Washington, dared to offend the authority and pride of the United States, Washington ousted him and, at the same time, poured nearly 30,000 troops into Panama under the cover of an up-to-date weapon — the use of the just-developed "Stealth bomber" in the operation for test bombing is a well known story — to regain control on Panama. In that war of aggression, which continued two nights and three days, the United States indiscriminately bombed slum areas where poor Panamanians — Noriega's strongest supporters — were living, killing about 7,000 innocent people. That fact was later exposed by the International Investigation Committee on the Panama Invasion and Human Rights headed by Ramsey Clark, former attorney general in the Carter administration and currently a champion of the antiwar peace movement. Also, in a terrorist bombing incident that occurred in a discotheque on a U.S. military base in Germany in the mid-1980's, the United States arbitrarily named Libya's Qadhdhafi as the mastermind. Then, in what it called a lesson to forces challenging the authority of the United States, it carried out an indiscriminate bombing of his presidential palace, killing a daughter of his. This is another well known story. The case of Iraq's Saddam Husayn, subjected to bloody humiliation in 1991 for challenging the United States, is known too well already.

There is a reason why I have referred in such detail to those cases related to the authority and pride of the United States. It is that I was wondering why the United States could not take the same drastic action against North Korea as it did against those Third World countries. The position taken by the North Korean authorities and people in dealing with the helicopter incident proved to be a great help for me in finding an answer to this question.

## "If There Is War, Not a Single U.S. Soldier Can Survive"

I once had conversations on U.S.-North Korean tensions over the nuclear issue with Chu Chang-chun, North Korean ambassador to China, with whom I became acquainted on my way home to the United States via Beijing after the 1989 international peace march. In connection with the helicopter incident this time, I recalled his comment then:

"If they (the United States) should go at it, our position is that we will be ready for it. Well, if they really mean to go to war, they should be fully prepared for the consequences. Our people will fight to the last man to defend their fatherland."

During my North Korea visit this time, An Pyong-su, CPRF vice chairman, made similar comments to me. "Under no circumstances will we tolerate an infringement on the sovereignty of our country," he said. What I heard from other party and government cadres was to the same effect. When I had a talk with a Pyongyang resident in his midforties at a subway station, I realized that there was no difference between him and those party and government cadres in their perception of the helicopter incident. A housewife in her thirties whom I met at Tangun Mausoleum said the same thing, too. That position of our compatriots in the North was a thing not totally unfamiliar to us. Meanwhile, their sentiment was interpreted by the media in the South as an indication of desperation under the yoke of communist dictatorship, slave labor and hunger, and an expression of their logic: "Since you have to die anyway, it makes no difference how you die."

William Taylor, a retired major general of the U.S. Army, who is deputy director of the Institute of International Strategies, once made a comment similar to that by Ambassador Chu Chang-chun. Taylor, who visited North Korea a few times since the early 1990's, is well known to us through his frequent contributions to newspapers and radio interviews on U.S.-North Korea military issues. Upon return from a North Korea visit in about the fall of 1992, when the U.S.-North Korea battle over the nuclear issue was about to begin, he spoke on his visit in an NPR (National Public Radio) dialogue program with me as follows:

"The North Koreans' military defenses do not seem to be a bluff. They show no signs of unrest at all over the possibility of a war with the United States. Rather, they said that in case a war breaks out, we should know that there would not be a single U.S. soldier going home alive. They made it clear that they will never yield to military threats, although they do not want to see what they have built in more than four decades destroyed."

**Debate at Dog Meat Restaurant**

Visiting the North for the first time in three years and a half, I saw great changes indeed. First of all, President Kim Il-song was gone. Also, talks were under way with the United States on diplomatic normalization for the first time in half a century. Through compatriots we met in the North, who live in the midst of the rapidly changing internal and external situations and environments, we could confirm many things. First, despite President Kim's death, there was no unrest at all in the North Korean society. Rather, they appeared even more solidly united around their "new leader" to overcome the internal and external crises.

The construction of T'ongil Street, for which they were breaking the ground when I visited last time, has been completed. A worker in his midfifties proudly told me how he and his colleagues finished the building of an apartment in only a year and two months. We met him at a dog meat house (called a sweet meat restaurant in the North) located in the center of an apartment. Enjoying the dog meat dishes, prepared in a slightly different way than in the South, and drinking the heated, strong Pyongyang *soju* liquor, we could feel from him a high pride and strong confidence in the system and society.

At another time, at Ongnyu Hall on the Taedong River we heard a pretty waitress in her early twenties speak boastingly of the taste of *naengmyon* noodles there. "Unless you taste it, you cannot say you have visited Pyongyang," she said. In her, too, we could feel how proud the people are of their society and life, and how strong their national confidence is. A woman in her midthirties, whom we met at Tangun Mausoleum, was, as a mother, extraordinarily proud of the day-nursery system of the North. From my experiences in the society I live in, I know myself what it is like to raise children. So, I could understand her so much better.

Rumors of popular uprisings, anti-Kim Chong-il moves within the party and government, coups d'etat, Kim Chong-il's serious ailment, hunger and starvation, and all other miserable living conditions, and stories of families crossing the border to China in a desperate escape from hunger, and of armed soldiers patrolling apartment areas as more and more residents flee "to wherever I can find food and eat as much as I can just once before I die, since I have to die anyway"—These were the ways Yi Chan-sam depicted North Korea in his "Account of My Tour Incognito of a Frozen Land" in CHUNGANG ILBO published in Chicago. Nowhere in North Korea could we see or hear about such things, however. In cities and rural villages, children were busy sledding and skating wherever there was a frozen space. We also came across young, clean-looking men and women in love enjoying their dates. We could see young soldiers playing the leading roles on construction sites. We experienced kind, heart-warming services by women at stores. Especially, for the first time we met a Japanese in the North; the lady in her early sixties told us about her husband and children, and how proud she is of her marriage with a Korean man.

In 1989, before returning to the United States after the international peace march that year, we visited a dog meat restaurant and met a pleasant-looking waitress in her midthirties there. This time, we unexpectedly saw her working at another dog meat restaurant on T'ongil Street. She was one of those believing that working for reunification is the most valuable and honorable thing. She treated us with love and kindness far beyond what we deserve for the sole reason that we are activists for reunification. As the last dish, and a special treat for us, the restaurant served what those who can appreciate dog meat prize as the best food (*kaegusin* [dog's penis]).

"See you again in a reunified fatherland!"

"Let's do our best to hasten the independent peaceful reunification of the fatherland as much as possible!"

"Take care!"

Compatriots of the North were bidding us farewell as we left the T'ongil Street restaurant.

## DPRK Urged To Respond To Rice Aid Offer

*SK0606084195 Seoul YONHAP in English 0837 GMT 6 Jun 95*

[FBIS Transcribed Text] Seoul, June 6 (YONHAP) — South Korea on Tuesday called upon North Korea to directly respond to its offer of rice aid to the North.

Vice Unification Minister Song Young-tae made the request, noting, "We have been informed by the Japanese coalition parties of North Korea's intent to accept our rice. But no such notification has been received direct from Pyongyang."

Song re-affirmed South Korea's willingness to provide the North with rice and other grains without any political conditions.

"We have proposed to the North that we hold authorities' meeting to discuss procedures involved. It is hoped that North Korea will respond to the proposal directly," Song said.

"If North Korea is prepared to receive our rice and willing to negotiate to that end, North Korea should respond to our May 26 proposal on a meeting between authorities. This is a minimum procedure needed for supplying grains to the North," he added.

### North Said Willing To Talk Directly

*SK0606012095 Seoul YONHAP in English
0110 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 (YONHAP) — North Korea informally conveyed to Japan's coalition ruling party its willingness to hold direct rice supply talks with South Korea, sources at the coalition government said Tuesday.

They quoted North Korean officials as saying that Pyongyang will agree to resume direct inter-Korean dialogue, which Seoul has demanded in exchange for its rice supply to the North.

Japan's chief cabinet spokesman Kozo Igarashi also said Monday, "There was a notice from North Korea that says it can discuss the issue with South Korea."

The coalition ruling party has played an intermediary role, tapping into North Korea's intent concerning the inter-Korean dialogue and rice supply.

Senior officials at the ruling party met with South Korean Ambassador to Japan Kim Tae-chi Monday afternoon to convey to him the North Korean willingness and to exchange views on the issue.

### Premier on Co-Hosting 2002 World Cup

*SK0506113395 Seoul YONHAP in English
1051 GMT 5 Jun 95*

[FBIS Transcribed Text] Seoul, June 5 (YONHAP) — Prime Minister Yi Hong-ku said Monday South Korea, if given the right to host the 2002 World Cup, may consider co-hosting the football matches with North Korea.

"At the moment South-North dialogue remains stalled due to the nuclear and other political issues," Yi said. "But, if we are given the right to host the 2002 World Cup, we will naturally study the issue of co-hosting it with North Korea."

The prime minister made the remarks while meeting a group of 13 journalists from West Germany and eight other foreign countries. They were here at the invitation of the Bidding Committee for 2002 World Cup in Korea.

"The site of the 2002 World Cup should be an Asian developing country other than one of the seven advanced countries (G-7)," Premier Yi was quoted as saying by his Spokesman Kang Hyong-sok.

Yi said South Korea, a symbol of successful industrialization, should be allowed to play host to the 2002 World Cup so that the occasion could serve as a hope for many other developing countries, according to the spokesman.

### Tongyang Business Group Officials Visit North

*SK0506113495 Seoul YONHAP in English
1056 GMT 5 Jun 95*

[FBIS Transcribed Text] Seoul, June 5 (YONHAP) — Nine officials of the Tongyang Business Group are presently on a tour of North Korea, the National Unification Board [NUB] reported Monday.

It said the officials led by Jay J. Park [name as received], vice chairman of the group, are visiting North Korea for a week-long stay beginning Sunday to look into the feasibility of a couple of projects it is promoting in North Korea.

The two projects are the creation of a confectionery plant and a cement supply base in the Najin-Sonbong special economic district in northeastern North Korea.

Their visit brings to 11 the number of the South Korean industries whose officials visited the North so far.

A total of 18 industries have been allowed to send officials to North Korea. Officials of the remaining seven industries are expected to visit the North step-by-step later.

"The consistent policy of the government is to thwart the North's nuclear development by all means but to steadily promote inter-Korean economic cooperation with a view to restoring national homogeneity and forging a single economic community on the Korean peninsula," Kim Kyong-ung, spokesman for the Unification Board, said.

### Foreigners Without Visas May Enter Najin by Sea

*SK0606082495 Seoul HANGUK ILBO in Korean
6 Jun 95 p 2*

[FBIS Translated Text] It has been learned that North Korea will allow foreigners to enter the Najin-Sonbong area without visas if they enter by way of sea routes. This principle is expected to be applied to ROK businessmen as well.

Chong Tok-ku, director of the External Economic Bureau of the Finance and Economy Board, who attended the Fifth Planning and Management Committee meeting concerning the Tumen River Development Project held in Beijing at the end of May, disclosed this on 5 June, stating: "I heard the North Korean delegate attending the meeting mention this officially." Therefore, businessmen from local enterprises that wish to invest in North Korea are expected to be allowed to enter Najin Port without visas if they enter by ship.

The North Korean delegate is said to have stated that non-visa entry is not permitted if foreigners try to enter North Korea by overland routes or across borders. The North Korean delegate added that North Korea is currently setting up wire barriers to block the Najin-Sonbong area from the outside, and that North Korea is not considering establishing any more special economic zones. Chong added that the North Korean delegate stated Pyongyang hopes foreign businesses will increase their investment in North Korea.

At the Tumen River project meeting, the five countries concerned — the ROK, North Korea, the PRC, Russia, and Mongolia — provisionally signed an agreement establishing a consultative committee for development of the Tumen River Economic Development Zone and of Northeast Asia, as well as a memorandum of understanding on the environmental principles of the Tumen River Economic Development Zone and Northeast Asia. The agreement and memorandum will be formally signed at a vice-ministerial-level meeting of the countries concerned on 25 September.

## Sea Route Linking Pusan, Najin To Open in Jun

*SK0606031395 Seoul YONHAP in English 0257 GMT 6 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 (YONHAP) — A sea route linking South Korea's Pusan to North Korea's Najin will open on June 28, the NIHON KEIZAI SHIMBUN reported Tuesday.

A Chinese container cargo ship will embark twice a month, on the first-ever, regular, inter-Korean route, mainly carrying goods for the UN Development Fund-promoted project of building up the Tumen River area, the Japanese economic newspaper said.

Participating in the project are North and South Korea, China, Russia and Mongolia.

A senior official of Yanbian Shipping Corp. in Jilin Province, China, revealed the opening of the Pusan-Najin route in late May when he visited Niigata City, the newspaper said.

The Chinese firm and South Korea's Korea Special Shipping Co. set up in Seoul a 50-50 joint-venture firm named Tongryong Shipping Co. to manage the Pusan-Najin route. Yanbian Shipping Corp. will be commissioned to put Chinese cargo ships on the route.

The Seoul and Pyongyang Governments have already given the green light for opening the first-ever, North-South sea route, and the Yanbian Korean Autonomous Prefecture Government invested 700,000 U.S. dollars in Yanbian Shipping Corp., the newspaper said.

There have been only irregular shipping services between the two Koreas.

The Pusan-Najin route is expected to expedite the Tumen River area development project, as it will provide facilitated cargo access to the area, the paper observed.

## Reaction to Remarks by Japan's Watanabe Reported

### Japan Cultural Center Attacked

*SK0606070295 Seoul YONHAP in English 0656 GMT 6 Jun 95*

[FBIS Transcribed Text] Seoul, June 6 (YONHAP) — Over 60 college students, in protest of former Japanese Foreign Minister Michio Watanabe's remarks justifying Japanese colonial rule of Korea, threw Motolov cocktails at the Japanese Cultural Center in central Seoul Tuesday morning, smashing some 20 window panes and burning some portions of the second and third floors.

The fire, which burned 5 pyong (1 pyong equals 3.3 square meters) on the second floor and 2 pyong on the third floor, was extinguished in 10-odd minutes.

Police took into custody 58 students, belonging to the Seoul Federation of Student Councils.

The incident took place on Memorial Day, which is observed as a public holiday.

Rushing out of Anguk Station on Seoul subway line No. 3, the students attempted to raid into the Japanese Cultural Center wielding steel pipes. As they failed to do so, the radical students occupied the rotary in front of the Cultural Center and threw over 30 gasoline bombs at the building.

They scattered leaflets carrying slogans such as "We're desperately opposed to restoration of Japanese imperialism," "Japan should immediately reflect itself on its aggressive war," and "Japan should immediately adopt no war resolution."

The students' demonstration blocked subway operation for about 20 minutes and nearby road traffic for a while.

### Students, Ministers Protest

*OW0606045595 Tokyo KYODO in English 0427 GMT 6 Jun 95*

[FBIS Transcribed Text] Seoul, June 6 KYODO — South Korean students and other demonstrators attacked a Japanese culture center in Seoul on Tuesday in a violent protest against former Foreign Minister Michio Watanabe's remarks on Japan's colonization of the Korean peninsula.

About 60 people, some of them masked, broke windows and threw fire bombs at the building, a suborganization of the Japanese Embassy, during the demonstration.

A fire broke out on the second floor of the building from the fire bombs but it was soon extinguished by firefighters.

"Japan, stop the reemergence of militarism," the students shouted, according to police. "Watanabe, apologize for Japan's war of invasion." Police arrested about 50 of the demonstrators.

The violent protest came amid rapidly souring sentiment in South Korea toward Japan following Watanabe's remarks, which triggered an outcry from Seoul government leaders and the public.

PrIme Minister Yi Hong-ku on Monday voiced a strong protest against Watanabe's remarks, saying, "The government as well as all of the South Korean people can't but express shock and dismay over Watanabe's remarks."

He also warned that such remarks would adversely affect Seoul- Tokyo relations in the future, adding such a thing should not be allowed to happen again, according to local news reports.

Watanabe, a Liberal Democratic Party member, told a meeting of the party's Tochigi prefectural chapter Saturday that a treaty by which Japan annexed the Korean peninsula from 1910 to 1945 was signed harmoniously.

"It was a treaty formed peacefully, in which no words about colonial rule were written," Watanabe told the party gathering. Watanabe recently led a parliamentary delegation to North Korea for bilateral talks.

Watanabe, however, apologized Monday for suggesting that the treaty was concluded "peacefully," saying that word should be dropped from his remarks.

"I frankly admit as a private individual that during Japan's 36-year rule over the Korean peninsula, the people of Korea throughout the peninsula were subjected to unbearable suffering for which I'm very sorry," he added.

Watanabe also said Japan must not elude its "moral and political responsibilities" for its domination of Korea under the annexation treaty, even though the treaty on basic relations of 1965, which established full diplomatic relations between Tokyo and Seoul, declared all previous treaties "already null and void."

### Nation Now 7th Biggest Investor in PRC

*SK0606005495 Seoul THE KOREA TIMES in English 6 Jun 95 p 8*

[FBIS Transcribed Text] On the strength of an increase in investment in China of 100 percent over the previous year, Korea jumped to 7th largest foreign investor in 1994, according to the statistics tallied by the Chinese Ministry of Foreign Trade and Economic Cooperation.

The statistics, obtained by the Korea Trade Promotion Corporation (KOTRA)'s Beijing office, show that Korea stood in 8th place in terms of negotiated investment with 1,886 million dollars in 1,849 projects.

Of this, Korea actually invested 794 million dollars, giving it the 7th largest foreign investor ranking.

A year earlier, in 1993, Korea negotiated with China 1,748 investment projects worth a total of 1,728 million dollars. However, the actual investment was 384 million dollars that year, giving Korea 9th place.

With the increase of the actual investment by 106.7 percent over 1993, Korea beat France and Macao to advance from 9th to 7th rank.

### Jan-May Stock Sell-Off by Foreigners Noted

*SK0506095095 Seoul YONHAP in English 0750 GMT 5 Jun 95*

[FBIS Transcribed Text] Seoul, June 5 (YONHAP) — The stock selling trend by foreign investors has continued for the fifth straight month beginning last January.

The Securities Supervisory Board (SSB) said Monday that foreign investors purchased shares totaling 360.3 billion won in May and sold 486.1 billion won of those, producing a net selloff of 125.8 billion won (165.53 million U.S. dollars).

Accordingly, January-May net sales by foreign investors surged to 741.9 billion won (976.18 million dollars), the SSB noted.

Such selling-oriented trends are attributed to uncertainty of the market's direction despite a government announcement in May that perk-up measures to boost the unstable stock market and to induce foreign investments would be instituted, the SSB analyzed.

Except for the chemical industry, all South Korean industries, especially financial organizations, experienced the foreign investors' net selling, according to the SSB.

Topping the list stocks bought by foreign firms include Pusan Bank, Citizens National Bank, Daewoo Electronics Co., Boram Bank, Hanwha Chemical Corp., Daewoo Heavy Ind. Ltd and Dongkuk Steel Mill Co., while those on the net selling list included Cho-Hung and Korea First Banks, the Daewoo Corp., Hanil Bank, Foreign Exchange Banks and Kia Motors Corp.

## Daily Views 'Ever-Growing Trade Deficits'

*SK0506123695 Seoul MAEIL KYONGJE SINMUN in Korean 3 Jun 95 p 3*

[Editorial: "Ever-Growing Trade Deficits"]

[FBIS Translated Text] The ROK's balance of payments picture is not at all bright at present. We are concerned that if this trend continues, the ROK's balance of payments will become worse than expected. The overall trade deficits through the end of May already match the entire trade deficit for 1994.

Even though the ROK's export performance has shown a record high in terms of its rate of increase, which is the highest in seven years, and due to the effects of the strong yen and the increased capacity of supplies as a result of the increased investments in facilities, the trend toward growing trade deficits does not show any signs of improvement. This is not normal.

This means we are not in a position to feel comfortable that we do not have to worry about a certain amount of trade deficits in view of our economy's viability. This is because if we do not make haste to work out relevant measures to cope with this trend, it will be difficult for us to make the most of a rare chance in recent days for an economic boom. In fact, instead we will only see aggravation of the structural problem in our economy.

Of course, because of our export industry's characteristically high ratio of dependence on foreign countries in importing raw and other subsidiary materials, technologies, and production facilities, the simultaneous increase of exports and imports is unavoidable under the present circumstances. This notwithstanding, we cannot but take issue with the increased rate of imports outrunning that of exports to a great extent. This is because imports in general have not entirely increased due to the import of capital goods as well as the raw and other subsidiary materials related to such capital goods.

As we have pointed out several times, imports in general have increased due to the increase in the volume of imports of luxurious consumer goods imported as a result of the domestic economic boom and of the opening of domestic markets. Specifically speaking, consumer goods imports increased by 51.4 percent during May, far exceeding 39.6 percent, the total rate of increase for imports in May.

Nowadays, traditional ROK markets, including Namdaemun Market in Seoul, have been inundated with imported expensive durable consumer goods, including various kinds of clothing and automobiles. This trend shows that the import of consumer goods will further increase. In addition, the import of art works, including various kinds of paintings, sculptures, and antiques, is also increasing to a great extent this year. This also serves as a factor worsening the ROK's balance of payments position.

We can also cite trade-related pressure by the United States against the ROK as another factor contributing to the ROK's trade deficits. We can say the ROK's policy of importing more goods from the United States as a way to ease the trade-related pressure on the ROK, which the United States is almost explicitly applying, is a factor preventing the ROK from resolving its trade deficits.

Therefore, though belatedly, we need to actively carry out a large campaign by government and civilian organizations for wholesome consumption and need to work out relevant measures to improve the question of our trade deficits by consolidating our cooperation with advanced countries, including the United States, that are applying trade-related pressure against the ROK. We have already been faced with various kinds of difficulties in terms of securing sufficient manpower, whose shortage has been caused by an economic boom; of managing commodity prices and currency; and of settling labor-management disputes. These factors can cause a nosedive in the overall economic situation. We should also make efforts to make relevant preparations so an aggravated balance of payments position by the ROK will not further worsen the overall economic situation.

## Foreign Orders for Construction Firms Cited

*SK0406004295 Seoul THE KOREA HERALD in English 4 Jun 95 p 8*

[FBIS Transcribed Text] Korean construction companies won orders worth $1,923 million for 58 overseas projects in the first five months of the year, the Overseas Construction Association of Korea (OCAK) said yesterday.

The figure represents a rise of a mere 0.14 percent in contract amounts from the same period of last year and an increase of 20.8 percent in project cases.

Orders from Asia, especially Southeast Asia, the nation's largest overseas construction market, amounted to $1,533 million in 39 projects in the cited period, up 28 percent in contract amounts from a year ago.

The region accounted for 79.7 percent of the nation's total overseas construction orders.

North America and the Pacific region came next with orders totaling $191.59 million in nine cases, representing 9.96 percent of the total contract amounts.

Korean contractors earned $131.16 million worth of orders from the Middle East in the January-May period, constituting 6.8 percent of the total contract amount.

The Southeast and Southwest Asian region has emerged as the nation's largest overseas construction market since 1991 when the region overtook the Middle East. The Asian region accounted for about 60 percent of the nation's total overseas construction contracts last year.

By country, Singapore was the nation's largest overseas construction market in the cited time with $594.05 million in four cases, up 99 percent from a year ago in contract amounts.

Indonesia came next with $475.50 million, followed by Malaysia with $181.51 million and the United States with $104.93 million, according to the OCAK.

Korean contractors received $84.55 million worth of orders from Saudi Arabia in the cited time, $69.94 million from Thailand, $66.15 million from Vietnam and $63.76 million from China.

By company, Ssangyong Engineering & Construction Co. topped the list of Korean overseas contractors in contract amounts with $413.63 million in the first five months of the year.

Sinhwa Engineering & Construction Co. came next with $365 million, followed by Hyundai Engineering & Construction Co. with $312.38 million, Daewoo Corp. with $225.38 million and Chinro Construction Co. with $136.85 million.

### Shinhan Bank Opens First Branch in SRV

*SK0206093195 Seoul THE KOREA HERALD in English 2 Jun 95 p 8*

[By staff reporter Kang Sok-chae]

[FBIS Transcribed Text] Shinhan Bank yesterday opened its branch in Ho Chi Minh City, Vietnam, becoming the nation's first bank to do branch business in the emerging Southeast Asian country.

With the opening, the bank expects a growing direct investment by Korean companies in Vietnam.

"We worked over the last two years to earn the official license from the Vietnamese Government to open a branch in Vietnam, supporting increasing volumes of Korean trade and investment in the Southeast Asian country and creating a friendly atmosphere between the two countries," said Na Ung-chan, president of Shinhan Bank, in an interview before leaving for Vietnam.

Na said Shinhan's Ho Chi Minh branch would focus on wholesale banking at the initial stage of operations before expanding its business to retail banking later in an effort to localize its operations and develop close patronage with local customers.

The branch is also committed to providing diversified financial services to Korean firms, Na said. "The Vietnam operation will be developed under its future strategy of making it the bank's Southeast Asian regional headquarters."

Considering growing Korean direct investments in Hanoi, Na said he will propose establishing, if possible, a joint-venture bank in Hanoi with a Vietnamese bank.

Among the participants in the opening ceremony were Shinhan Bank president Na; Truong Tan Sang [name as published], Ho Chi Minh mayor; Lethi Ngot [name as published], deputy governor of the State Bank of Vietnam; and Kim Pong-kyu, Korean ambassador to Vietnam.

A joint-venture Korean-Vietnamese bank, called Firstvina Bank, has been operating in Ho Chi Minh City since March 1993. The bank, a joint venture between Korea First Bank and Vietcombank, opened a new Hanoi branch in 1994.

Among Korean banks, the Export-Import Bank of Korea opened its representative office in Ho Chi Minh City in April 1992 and Korea Exchange Bank set up its representative office in Hanoi last December.

"As part of Shinhan's globalization strategy, we also want to upgrade our representative office in Tianjin, China, up to a branch status," Na said, adding that he believes the Chinese official permission would come in August this year.

### Telecom Union Proposes Unconditional Dialogue

*SK0206093495 Seoul YONHAP in English 0832 GMT 2 Jun 95*

[FBIS Transcribed Text] Seoul, June 2 (YONHAP) — The Korea Telecom trade union Friday afternoon proposed holding an unconditional dialogue with management, giving rise to hopes the labor dispute at the state-run telecommunication company may be resolved peacefully.

"We'll meet management next Monday at Chogye Buddhist temple in central Seoul without any conditions," the union said in a statement signed by union Chairman Yu Tok-sang.

"For the reasonable resolution of the Korea Telecom dispute, we'll discuss with management the resumption of collective negotiations, the release of detained unionists and a retraction of arrest warrants," the statement said.

The statement was issued at a press conference held at Myongdong Cathedral in downtown Seoul by six union leaders who have been staging a sit-in there.

The union's offer to hold unconditional talks with the management is expected to provide a chance to break through the tense confrontation between Korea Telecom and its trade union.

A list of union delegates to the proposed talks will be sent to Korea Telecom's President Cho Paek-che sometime Saturday, the union leaders added.

In the meantime, Korea Telecom's management convened an emergency measures committee meeting Friday afternoon to discuss how to cope with the union's overture.

### Regime May Forcibly Arrest Telecom Unionists

*SK0306011895 Seoul THE KOREA TIMES in English 3 Jun 95 p 3*

[FBIS Transcribed Text] Tension is mounting in the confrontation between the management and union of Korea Telecom, as law enforcement authorities indicated yesterday that they would use police troops to forcibly escort the unionized workers out of Myongdong Cathedral and Chogye-sa Temple.

Chiefs of Chongno and Chungbu Police Stations requested Thursday that the two religious leaderships cooperate with the legal action against the 13 wanted union leaders. They presented arrest warrants to the church and temple leaderships.

However, both the cathedral and temple made it clear again that they oppose legal action against the workers taking refuge at the religious facilities.

The repeated police requests to arrest the wanted workers are considered preparatory steps for sending riot police into the cathedral and the temple regardless of the disapproval of the religious groups.

Meanwhile, the leadership of the Korea Telecom union declared yesterday that they will carry out anti-management struggles starting next week and renewed calls for withdrawal of legal actions against themselves as a precondition for dialogue.

As the management shows no indications of settling the conflict through negotiation, the union will intensify law-abiding campaigns as scheduled, the union leaders at the cathedral warned.

Korea Telecom management also continued to rule out any negotiations with the union, only maintaining that those engaged in illegal activities should be punished by legal procedures.

The Information-Communications Ministry, another party involved in the labor dispute, also said that it supports legal punishment against the union leadership.

### Union Leaders Arrested in Raid

*SK0606004395 Seoul KBS-1 Radio Network in Korean 2320 GMT 5 Jun 95*

[FBIS Translated Text] In a swift action the police raided Myongdong Catholic Cathedral and Chogye Buddhist Temple this morning and took away all 13 Korea Telecom labor union leaders staging a sit-in there.

Around 0800 this morning [2300 GMT 5 June] the police and the prosecutor's office sent some 20 policemen to Chogye Temple, where seven Korea Telecom union leaders, including Yang Han-ung, a guiding committee member, were staging a sit-in, and took all of them to the police authorities.

The police and the prosecutor's office also sent some 20 police troops to Myongdong Catholic Cathedral at the same time to take away six labor union leaders, including Chang Hyon-il, director of the labor union's dispute department, who were staging a sit-in.

The police and the prosecutor's office took the labor unionists to Chong-ro and Chungbu police stations for investigation. This brought an end to the Korea Telecom unionists' sit-in by the use of the power of public authorities 19 days after the initiation of the dispute.

### Pro-Labor Students Clash With Police

*SK0506015895 Seoul THE KOREA TIMES in English 5 Jun 95 p 3*

[FBIS Transcribed Text] Some 2,000 students from 20 universities, protesting the government's crackdown on the labor movement, clashed with riot police yesterday at the gate to Yonsei University in Seoul, hurling firebombs and rocks in their attempt to take to the streets.

There were no reports of serious injuries to either side.

Inside the campus, the students demanded the government stop cracking down on the Korea Telecom union and end the prosecution of union leaders at Hyundai Motors Co.

The clash completely blocked the two-way 10-lane road in front of the university at around 1:30 p.m. [0430 GMT] and left cars filled with holiday-makers bound for suburban tourist resorts backed up for hours.

The initial clash happened at about 1 p.m. when the students tried to move out of the campus with some students in front wielding iron pipes. As riot police pressed them back, the students hurled firebombs and pelted the police force firing tear gas with rocks.

Police brought in 2,400 riot troopers from 20 companies to keep back the advancing students and detained about 30 students for questioning.

Taking note of the violent nature of the demonstration, police have decided to take in all hard core members and organizers in a show of their determination to tolerate no more violent rallies.

Prior to their attempt to move out, the students staged a protest rally to fight the government's ban on the organizing of "alliance" unions grouping places of similar work and a systematic crackdown on the labor movement.

The students are waging an uphill battle to bring back to life the country's labor movement, which is losing its bearings due to the government's get-tough policy and rising intolerance of it. Yesterday's demonstration and subsequent clash with police constitute one of its many attempts to rekindle the dwindling embers of the labor movement.

### Impending Labor Disputes in Auto Industry Noted

*SK0306030795 Seoul YONHAP in English*
*0226 GMT 3 Jun 95*

[FBIS Transcribed Text] Seoul, June 3 (YONHAP) — Tension is rising in the nation's automobile industry as trade unions of major automakers like Ssangyong Motor Co. and Hyundai Precision and Industry Co. have either reported or are planning to report labor disputes to the authorities concerned.

Ssangyong's union notified the Labor Ministry and the Central Labor Committee last Thursday of a dispute as labor and management at the company had failed to conclude wage hike and collective bargaining agreements.

Unionists and management at Ssangyong have had eight rounds of negotiations this year, but failed to narrow differences over the issues on the scope of the wage hikes, the reinstatement of a dismissed former labor union leader and the adoption of an agenda item related to "social reform."

The labor union at the Ulsan factory of Hyundai Precision and Industry Co. also reported a labor dispute last Thursday, a result of their failure to settle the wage negotiations with management.

Unionists at both Ssangyong and Hyundai are determined to take industrial actions after the 10-day cooling-off period unless there is a compromise offered from the management.

Labor unions at Kia Motors Corp. and Asia Motors Co. held their respective deputies meetings Friday and decided to report their disputes to the labor authorities as early as Monday.

### Minister Urges Firms To Stabilize Labor Ties

*SK0606005395 Seoul THE KOREA TIMES in English*
*6 Jun 95 p 3*

[FBIS Transcribed Text] Labor Minister Chin Nyom asked employers at big business firms to make efforts to stabilize their relationship with unions in his meeting with leading members of the Korean Employers' Federation yesterday.

"As various factors destabilizing the labor relationship are appearing ahead of the local elections this month, the government requests employers to hold reasonable negotiations with unions to avoid labor conflicts," Minister Chin said.

He also called on the employers to bar third party intervention in labor affairs, pointing out that the outlaw Minchu Nochong, or the Korean Council of Trade Unions, and college students are in collusion with trade unions.

Minister Chin asked both the management and unions to respect legal procedures in their collective negotiations.

### Kim Yong-sam Warns Against Corrupt Elections

*SK0506100395 Seoul YONHAP in English*
*0835 GMT 5 Jun 95*

[FBIS Transcribed Text] Seoul, June 5 (YONHAP) — President Kim Yong-sam said on Monday that the government should not forgive those who are involved in illegal and corrupt election campaigns.

While meeting with 15 mayors and provincial governors at Chongwadae [presidential offices] the president said, "The government, in particular, should maintain strict control over election campaigns to ensure fair and honest elections."

The country is to hold the first local elections in more than 34 years on June 27, electing mayors, governors, heads of wards and local councilmen.

"The question of fair elections is a prerequisite to the success of a local autonomous system," President Kim said. "I hope that ministers, governors and all the other public servants will handle the elections with sense of determination so that Korea will realize an election revolution."

### Democratic Party President, Kim Tae-chung Meet

*SK0506094595 Seoul YONHAP in English 0735 GMT 5 Jun 95*

[FBIS Transcribed Text] Seoul, June 5 (YONHAP) — Yi Ki-taek, major opposition Democratic Party (DP) president, visited former opposition leader Kim Tae-chung at the latter's residence to discuss pending issues related to the upcoming June 27 local elections.

However, during the one-on-one meeting they failed to form a mutual agreement on the most controversial issue between them, who will become the party's candidate to run for the gubernatorial post of Kyonggi Province in the forthcoming local elections.

Kim, chairman of the Peace Foundation for the Asia-Pacific Region, reportedly insisted that Rep. Yi Chong-chan should be nominated for the governor's candidacy, while DP President Yi stuck to his position that Rep. Chang Kyong-u should be the party's candidate.

DP President Yi said after the meeting that he conveyed his wishes to Chairman Kim that the party win the election for the Kyonggi Province by putting up Rep. Chang as the DP's candidate.

Yi disclosed that there was no change in Kim's insistence that Rep. Yi Chong-chan become the party's candidate.

Sources in the party said that they only agreed that DP President Yi will have a meeting with DP vice presidents to resolve the candidacy issue.

Intraparty strife between both sides intensified last month over the election of a party nominee at a DP convention after Yi's camp allegedly bought party deputies in an apparent move to make Rep. Chang the party's candidate to run for Kyonggi provincial governor.

### DP Selects Kyonggi Gubernatorial Candidate

*SK0606061295 Seoul YONHAP in English 0555 GMT 6 Jun 95*

[FBIS Transcribed Text] Seoul, June 6 (YONHAP) — The major opposition Democratic Party (DP) decided Tuesday to nominate Rep. Chang Kyong-u as its candidate to run for the gubernatorial post in Kyonggi Province for the upcoming June 27 local elections.

Party spokesman Pak Chi-won said that the decision was made at the party's meeting of the president and vice presidents held at the National Assembly.

DP President Yi Ki-taek visited former opposition leader Kim Tae-chung Monday and conveyed his wish for Rep. Chang to be nominated as the candidate running for the local polls.

Kim, chairman of the Peace Foundation for the Asia-Pacific region, reportedly told his followers within the opposition party that they should not object to DP President Yi's demand if he would stick to his position of selecting Rep. Chang for the gubernatorial candidacy.

Observers predicted that the opposition party is expected to enter into a local election system, after the weeks-long intraparty strife over the party's candidate for the governor's post.

The factional strife in the party erupted May 13 when the DP President Yi's camp allegedly bought the deputies' votes during a nomination contest held in Suwon, Kyonggi Province.

### Computerization, Telecom Development Viewed

*SK0206022295 Seoul YONHAP in English 0126 GMT 2 Jun 95*

[FBIS Transcribed Text] Suwon, June 2 (YONHAP) — South Korea's level of overall information-related development is about 20 percent that of the five most advanced nations as of 1993, a white paper issued by the National Computerization Agency said Friday.

"The National Informatization White Paper" said that when the level of South Korea's information-related development was 100, that of the United States was 699, followed by Britain with 496, Japan with 490, Germany with 475 and France with 437 in 1993.

By field, Japan topped the level of information-related facilities including telephone and fascimile capabilities with 196, based on an index of the field, and compared to South Korea, followed by the United States with 192, France with 151, Germany with 148 and Britain with 138.

In the "use of information" field, the United States reached 1,111 while Japan marked 786, Germany 747, Britain 697 and France 663.

Meanwhile, the number of subscribed telephones per 100 people was 53.54 in France, 53.08 in the United States, 47.39 in Japan and 37.8 in South Korea.

South Koreans paid an average of 176 U.S. dollars in 1993 for the use of telecommunications service like telephones, telegraph and data communications, while an Englishman paid 524 dollars. A German 522 dollars, and a Frenchman 498 dollars.

### First Locally Assembled F-16 Delivered

*SK0206020595 Seoul THE KOREA TIMES in English 2 Jun 95 p 3*

[FBIS Transcribed Text] The first F-16C/D fighter locally assembled under the Korea Fighter Program was recently delivered to the Air Force and put into operation, the Defense Ministry said yesterday.

The fighter was assembled by Samsung Aerospace with the help of American aircraft maker Lockheed according to the multi-billion-dollar program that aims to modernize Korea's squadrons of fighters and acquire related advanced technologies.

The program is to be executed in three stages: importation, local assembly and license production. The contracted local companies, also including Korean Air and Daewoo Heavy Industries, have been working together to assemble the imported kits since April. About 100 subcontractors are also working in the project.

The license-produced F-16s are scheduled to be handed over and put into service beginning in mid-1997. The final stage of the KFP program will be finished by late 1999.

## Burma

### Singaporean Delegation Meets SLORC Members

*BK0306082295*

[FBIS Editorial Report] Rangoon TV Myanmar Network in Burmese at 1330 GMT on 2 June carries three reports on the permanent secretary of the Defense Ministry of the Republic of Singapore paying courtesy calls on Burmese leaders.

A 1-minute report says Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council (SLORC) of the Union of Myanmar (Burma), received Mr. Tio Ming Kian, permanent secretary of the Defense Ministry of the Republic of Singapore and chairman of the Singapore Technologies Industrial Corporation; and his party, who are currently in Yangon (Rangoon), at the Defense Ministry's Dagon House at 0830 today.

Together with Secretary-1 Lt. Gen. Khin Nyunt were U Ohn Gyaw, minister of foreign affairs, and Thura U Aung Htet, director general of the Protocol Department. The visiting delegation was accompanied by Mr. Calvin Eu Mun Hoo, ambassador of the Republic of Singapore to Myanmar.

A 1-minute report says a delegation led by Mr. Tio Ming Kian paid a courtesy call on Vice Admiral Maung Maung Khin, member of the SLORC and deputy prime minister, at the latter's office at 1400 today. They held cordial and frank discussions on matters concerning bilateral economic cooperation, including the strengthening of bilateral friendly relations and investments. Brigadier General Abel, minister of national planning and economic development; responsible personnel; and Ambassador Calvin Eu Mun Hoo were present at the meeting.

A 2-minute report states that Mr. Tio Ming Kian paid a courtesy call on Lt. Gen. Kyaw Ba, member of the SLORC and minister of hotels and tourism, at the latter's office at 1000 today. The meeting was also attended by Lieutenant Colonel Khin Maung Latt, director general of the Directorate of Hotels and Tourism; U Myo Myint, managing director of the Restaurant and Beverage Enterprise; and responsible personnel. At the meeting, the visiting permanent said this is his second visit to Myanmar in five years; he noticed rapid changes and developments in five years and Yangon is a beautiful and clean city. The minister explained that the beauty and cleanliness in Yangon is due to the efforts and labor of the public and Defense Services personnel. The visiting permanent secretary then said nearly 7 million tourists visited Singapore last year and they usually stay two or days so considerations are being made to send them, particularly Japanese tourists, to Myanmar. He also said Japanese tourists like to purchase souvenirs at high-class shopping centers. They will be attracted more if high-class shopping centers are built and operated in Myanmar. The minister thanked the permanent secretary for his advice and invited the permanent secretary for the cooperation in business. They held discussions on the development of hotels and tourism industry in great length.

### MOU Signed To Design, Build Mandalay Airport

*BK0406142295 Rangoon Radio Myanmar in Burmese 1330 GMT 4 Jun 95*

[FBIS Translated Text] The Civil Aviation Department [CAD] of the Ministry of Transport and Singapore Technology Construction Private Limited [STCPL] of Singapore singed a memorandum of understanding [MOU] on the design and construction of Mandalay International Airport at a ceremony held at the CAD's meeting hall at 0900 today.

The ceremony was attended by Lieutenant General Thein Win, minister of transport; Brigadier General Abel, minister of national planning and economic development; Brig. Gen. Myo Thant, minister of information; U San Wai, deputy minister of transport; and responsible personnel.

At the ceremony, U Tin Aye, director general of the CAD, and the manager of STCPL delivered addresses. Next, they signed and exchanged the MOU.

### ABSDF Conference Adopts New Policies, Tactics

*BK0506090395 (Internet) BurmaNet News in English 5 Jun 95*

[Press release by Central Leading Committee of the All Burma Students' Democratic Front, dated 31 May 1995]

[FBIS Transcribed Text] An Extraordinary Conference of the ABSDF [All Burma Students' Democratic Front] was held at a secret location inside Burma near the Thai-Burma border on May 13-May 24, 1995. Forty-eight representatives from the various ABSDF camps attended the conference.

Policies on future politics, military policies, future process and strategies of the ABSDF were consulted and adopted. A new constitution of the ABSDF was also adopted.

A Central Committee comprising of 17 central committee members, to take responsibility for the next three-year term of the ABSDF, was also unanimously elected.

Moe Thee Zun was re-elected as a Chairman of the ABSDF and Aung Thu Nyein as a Vice-Chairman. There are eight Central leading Committee members

(CEC) including Chairman and Vice-Chairman, and nine Central Committee members (CC).

Signed: Central Leading Committee All Burma Students' Democratic Front

## Brunei, Malaysia & Singapore

## Malaysia

### Mahathir on Possible Block on Fighter Purchase

*BK0506140595 Kuala Lumpur BERITA HARIAN in Malay 3 Jun 95 p 2*

[FBIS Translated Excerpt] Kuala Lumpur, Fri — The Malaysian Government is ready to cancel the purchase of U.S.-built F/18D Hornet jet fighters if the U.S. Congress decides to block the sale to Malaysia following allegations of human rights violations. Prime Minister Datuk Sri Dr. Mahathir Mohamed said such a decision by the U.S. Congress will not cause problems for Malaysia because the country can still buy arms from other countries, including Russia.

"There will be no problems if we do not buy the Hornets because we can also buy MiG-29 planes," he told reporters after he attended the 1995 World Consumers Day function at the Islamic Center here today. [passage omitted on Hornet sale accord and U.S. Congress' move to block the sale]

### British Naval Chief on Post-1997 Defense

*BK0106150295 Kuala Lumpur NEW STRAITS TIMES in English 31 May 95 p 8*

[FBIS Transcribed Text] Kuala Lumpur, Tues. — Britain has no plans to pull out from the region after the takeover of Hong Kong by the Chinese Government in 1997, a top British defense official said today.

However, Britain was expected to seek the assistance of the Brunei Government to allow some of its military facilities to be shifted to the Sultanate, said Royal Navy chief Admiral Sir Benjamin Bathurst.

This would enable Britain to maintain close defence ties with its allies in Southeast Asia, he said.

He gave this assurance to Deputy Defence Minister Datuk Dr. Abdullah Fadzil Che Wan during a discussion at the latter's office at Wisma Pertahanan [Ministry of Defense].

Bathurst, who was on a one-day visit here, was accompanied by British High Commissioner to Malaysia David Joseph Moss and three naval aides.

Briefing reporters later, Dr. Abdullah said Bathurst gave the assurance that Britain would continue with its close defence ties with Malaysia.

"Both countries are members of the Five Power Defence Arrangement (FPDA), the loose defence consultation machinery set up to ensure the defence of Malaysia and Singapore," he said. The other Western powers are Australia and New Zealand.

Dr. Abdullah also said he discussed the exchange of military personnel with Bathurst.

More than 300 Malaysian military personnel had undergone training in British military institutions since Malaysia gained independence from Britain in 1957.

Malaysia is one of the biggest users of British-made weapons ranging from armoured personnel carriers to warships and aircraft.

### Mahathir on Repatriation of SRV Refugees

*BK0506133395 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 5 Jun 95*

[Passage in italics in English]

[FBIS Translated Text] Responding to journalists at Subang, near Kuala Lumpur today, Prime Minister Datuk Sri Dr. Mahathir said that the Vietnamese refugees must return to their homeland. The situation in Vietnam has changed and Malaysia cannot accommodate them forever.

[Begin recording] [Mahathir] *...Well, they don't want to go back but we can't accommodate them.* So we have to take action ... to send them home. This is because the third countries that promised to take the refugees in have broken their promise, they refuse to take them in. Initially, we accepted these refugees because the third countries declared that Malaysia would be a transit point only. We have to repatriate them now that they refuse to accept these refugees.

[Unidentified correspondent] [Words indistinct]

[Mahathir] Yes, we will hold a meeting to resolve the issue. We regret this. What can we do? We understand the refugees' problems and we sympathize with them, but we cannot do anything else except to repatriate them. Furthermore, the current situation in Vietnam has greatly improved, not like before. These refugees will not be ill treated if they return to their homeland. Therefore, it is unreasonable for them to refuse to return to their homeland. [end recording]

Meanwhile, the situation at the Sungai Besi camp is calm now. The demonstrators returned to the camp via the main gate while singing a Vietnamese song full of gusto. They were wearing shirts with human rights words written on them. The police had to temporarily halt traffic along the Seremban-Kuala Lumpur Highway to allow them to be led into the camp.

### 'Rioting' at SRV Refugee Camp Reported

*BK0606085395 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 6 Jun 95*

[Passages in italics in English]

[FBIS Translated Excerpt] Here is our reporter Shamsul Shamsuddin on the latest developments in the rioting by illegal Vietnamese immigrants at the Sungai Besi Refugee Camp:

[Begin recording] [Shamsul] Thank you, Nizar. We are outside the Sungai Besi Camp, which houses illegal Vietnamese immigrants. Moments ago, Chief Operations Officer Haniff Ahmad, second assistant commissioner of police, visited the area. For further information, let us listen to excerpts of an interview with him a moment ago:

[Haniff] We are not facing many problems now. *That means that everything is smooth. So, no adverse reaction from the Vietnamese refugees.*

[Unidentified correspondent] [Question indistinct]

[Haniff] *This is stable because there is no report of anybody having serious injuries [words indistinct]. We believe there may still be weapons in the area, but this is something that we are planning for. So far, we have arrested 20* refugees who were involved in the rioting. They are being held in police stations around Kuala Lumpur. [passage omitted on repair work at the camp] [end recording]

Thank you, Shamsul.

Meanwhile, Kuala Lumpur wants Hanoi to be serious about the settlement of the Vietnamese refugee issue in Malaysia. Foreign Affairs Minister Datuk Abdullah Ahmad Badawi said a lack of counseling is among the primary causes of rioting by the Vietnamese refugees in the country.

[Begin recording] [Unidentified correspondent] Last January, Malaysia, Vietnam, and the United Nations High Commissioner for Refugees signed a memorandum of understanding to enable the repatriation of Vietnamese who have been denied refugee status. When asked to comment on the rioting by the Vietnamese refugees last night, Datuk Abdullah said Hanoi needs to exert strong efforts to settle the issue. He said a lack of information on developments in Vietnam among the Vietnamese refugees here was among the primary causes of the rioting:

[Abdullah] We hope that Vietnamese officials will come here more frequently to talk to the Vietnamese refugees and persuade them to return home. Vietnam is now a rapidly developing country, its economy is rapidly growing, and there are more job opportunities there. This information should be relayed to the Vietnamese refugees at the Sungai Besi camp. [end recording]

## Cambodia

### PRC Promises To Assist in Removing Land Mines

*OW0606042195 Tokyo KYODO in English 0156 GMT 6 Jun 95*

[FBIS Transcribed Text] Phnom Penh, June 6 KYODO — China, a major supplier of land mines buried throughout the Cambodian countryside during more than a decade of civil war, has promised to assist Phnom Penh in its efforts to clear away the hazard, Chinese sources said Tuesday [6 June].

Beijing has pledged to train Cambodian Government troops, in China, in how to remove mines, and to provide the necessary equipment to carry out the dangerous task, the sources said.

An estimated 6-10 million land mines laid during the civil war between Cambodian loyalists, the Khmer Rouge and the Vietnam-backed government, are lying hidden in Cambodia hampering agriculture and economic recovery.

Every month, between 150 and 300 people are killed or maimed by exploding mines.

China has been accused of being responsible for much of the suffering since during the civil war it generously supported the Khmer Rouge faction with weapons, including mines, and has not previously supported mine removal operations in Cambodia.

China has broken off any contact and cooperation with the Khmer Rouge guerrillas, the sources said. "We supported them in their fight against the foreign (Vietnamese) invasion, but following the Paris peace agreement we stopped our collaboration and now do not have any contact," a Chinese source said.

The sources said Beijing pledged in May to help remove mines in Cambodia and it has already delivered the promised equipment.

Both sides are still discussing the dispatch of 10 Cambodians to be trained as experts in removing mines by the Chinese People's Liberation Army, since Phnom Penh says it lacks the funds to pay for their airfares, according to the Chinese sources.

The United States and Japan are providing funds for the civilian Cambodian mine action center, and experts from nongovernmental organizations from Britain and other countries are also assisting in operations to remove mines.

### Khmer Rouge Commentary Views Land Mines Problem

*BK0606064895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 5 Jun 95*

[Unattributed commentary: "Where Did the Mines Come From, Who Placed Them, and How Should We Solve the Problem?"]

[FBIS Translated Text] The truth is that the problem of mines was created during the Vietnamese war of aggression against Cambodia from the end of 1978 to 1991. During these 13 years of all-out Vietnamese aggression, the Vietnamese placed millions of mines produced by the former Soviet Union along the western border and in northern Cambodia.

Along the western border, the Vietnamese aggressors conscripted hundreds of thousands of Cambodians to dig canals in their so-called K-5 corvee and planted 5 million Soviet-supplied landmines throughout the entire area from the border in Koh Kong to Choam Khsan District in Preah Vihear Province, where the borders of Cambodia, Thailand, and Laos meet. Moreover, the Vietnamese aggressors and their lackeys — the puppets Hun Sen, Chea Sim, Sar Kheng, and Tie Banh — planted some 100 million Soviet-supplied iron spikes in this border region.

The K-5 corvee was a scheme devised by communist Vietnam with two objectives:

1. They intended to use it to prevent the National Army of Democratic Kampuchea [NADK] from penetrating the hinterland and attacking them inside the country.

2. In mobilizing hundreds of thousands of people under this K-5 plan to dig canals, set up fences, and place mines and stakes, they caused hundreds of thousands of people used in this forced labor to die from malaria, hunger, and thirst. This was part of communist Vietnam's strategy to exterminate the Cambodian race.

In the Cambodian hinterland, communist Vietnam and its puppets placed mines around villages, preventing people from venturing out of their homes to work the fields or forage for food. They used the excuse of preventing the people from contacting the NADK. In some places, they rounded up tens of thousands and even hundreds of thousands of people and placed them in strategic hamlets protected by barbed wire, mines, and iron spikes placed at the staircases and columns of people's homes, preventing them from leaving. As a result, many people were killed and their cattle, pigs, and fowl were decimated by Vietnamese mines. This was part of communist Vietnam's campaign to murder all Cambodians and replace them with ethnic Vietnamese who were sent in to swallow up Cambodia. With these mines in place, the people could not run away. They were cornered and drafted as soldiers by the Vietnamese aggressors and their puppet administration. They were sent to die like leaves under the K-5 scheme.

In summary, the mines and iron spikes belonged to the former Soviet Union. The communist Vietnamese aggressors planted 10-15 million mines in Cambodia. All the minefields belonged to the Vietnamese aggressors and their lackeys, the puppets Hun Sen, Chea Sim, Sar Kheng, and Tie Banh. No one talks about that except the people and Democratic Kampuchea. Those who pretend to be trying to solve the problem of mines in Cambodia are in reality not working to demine Cambodia at all. They have come to train the two-headed puppets of communist Vietnam in the art of laying more mines everywhere for use against the people and Democratic Kampuchea. Moreover, the so-called mine detectors that have been sent here are really devices used to detect and uncover stone carvings and sculptures buried under ancient temples so they can be sold abroad.

The U.S.-Australian-French alliance has designated and is designating two-headed soldiers to plant more mines to destroy the people and resistance forces. They are not humane, for their strategy is to kill the people and the resistance forces. They cannot cause much harm to the resistance forces, however. Instead, what they have done is kill people and their cattle and pets. They can only hurt the peasants who constitute the principal labor force and the source of our national economy; that is, rice and other products. Their mines have destroyed forests, fish, and other natural resources both above ground and in the water.

What should we do to solve this problem? It cannot be solved by holding deceitful conferences, writing deceitful appeals, and making deceitful statements. The Cambodian people — who have all along been the victims of the mines of communist Vietnam and the alliance; who have been killed, injured, crippled, and starved because of them — just have this to say: If you are really serious, end the war. Communist Vietnam, the United States, Australia, and France: You must stop giving arms, ammunition, and all types of mines to the two-headed government; stop giving money to the two-headed government to buy tanks, armored personnel carriers, cannons, multiple-rocket batteries, and aircraft to kill the Cambodian people; help bring about national reconciliation; and make it possible for Cambodia to enjoy peace and its people happiness so that everybody can pitch in to solve the problem of mines. If you are stubborn and continue communist Vietnam's war, you will never be able to solve the problem of mines, even in 100 years.

### Sar Kheng Discusses Future of Khmer Rouge

*BK0406093195 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 4 Jun 95*

[FBIS Translated Text] During a visit on the morning of 2 June to people in Tapon and Roka communes in Sangke District, Battambang Province, His Excellency [H.E.] Sar Kheng, deputy prime minister and co-interior minister, said that we are convinced that the Khmer Rouge cannot last forever. H.E. Deputy Prime Minister Sar Kheng also said that to this day only a small Khmer Rouge force is left and that there is absolutely no support from the international community.

H.E. Deputy Prime Minister Sar Kheng also stressed that the Khmer Rouge is the enemy of the nation and not of any particular individual. In countries next to us, internal issues dealing with rebels, such as the Khmer Rouge, cannot be resolved in a short period of time. We are proud that we will be able to resolve the Khmer Rouge issue but not today or tomorrow.

H.E. Deputy Prime Minister Sar Kheng also said that the international community is now carrying out a special operation to gather documents relating to the Khmer Rouge in order to try Khmer Rouge leaders in an international tribunal. Any persons embracing the Khmer Rouge leaders, acknowledged by the international community as guilty toward the people, are also guilty. However, those who awaken and join society and the nation with the people and the Royal Government may have a better future and be considered citizens with full rights.

H.E. Deputy Prime Minister Sar Kheng is the co-interior minister and people's representative of Battambang Province. He also distributed rice to 1,500 families of needy people in Tapon and Roka communes; each family received 20 kilograms of rice. A budget of 4.5 million riels was also given for repairing high schools and primary schools in Tapon, Roka, Tapon Roka Monastery, (Ta Teuk), and Vat Thmei (Khlanh) Monastery.

### Sihanouk on Multiparty Elections Before UNTAC

*BK0506055395 Phnom Penh National Radio of Cambodia Network in Cambodian 0300 GMT 5 Jun 95*

["Correction" issued by King Sihanouk on 4 June; place not given]

[FBIS Translated Text] Some journalists and others have repeatedly written and asserted that there were never multiparty elections in Cambodia before the UNTAC [UN Transitional Authority in Cambodia] election of May 1993. This is a serious distortion of Cambodian history. The truth is that multiparty legislative elections were held in the Kingdom of Cambodia in 1947, 1951, and 1955.

In 1955 the general, secret [word indistinct] election was held under the supervision of an international control commission with India as chairman and Canada and Poland as members. Taking part in this election were Sangkum Reas Niyum [SRN — Sihanouk's Popular Socialist Party], the Democrat Party [DP], and the Communist People's Party [CPP]. SRN won 82 percent of the votes, the DP 13 percent, and the CPP 3 percent. Two years after SRN's overwhelming success, most of the leaders, cadres, members, and supporters of the DP and CPP decided of their own free will to join the SRN. To tell the truth, this was not a single party but a coalition of many parties working to rally the entire Cambodian people — both male and female — to be of the same patriotic mind to defend the country's independence and territorial integrity; for peace and national development; and for the people's freedom and well-being, patriotism, Buddhist socialism, and freedom of religion.

## Indonesia

### Philippine Foreign Minister Views Spratlys Issue

*BK0606081495 Jakarta SUARA KARYA in Indonesian 3 Jun 95 pp 1, 11*

[FBIS Translated Excerpt] Jakarta, SUARA KARYA — The Philippines will definitely opt for peaceful means to settle the Spratly Islands dispute in the South China Sea. This decision was made in accordance with the decision of five other countries that also claim the disputed islands.

This was stated by Philippine Foreign Minister Domingo L. Siazon after he visited President Suharto at the Istana Merdeka [Merdeka Palace] on Friday [2 June]. He said: "We have mutually agreed to solve the issue through peaceful means."

The disputed Spratly Islands are claimed by the Philippines, China, Brunei Darussalam, Malaysia, Vietnam, and Taiwan. The dispute became more serious between the Philippines and China when Chinese Navy vessels chased a Philippine Navy vessel carrying high-ranking military personnel and some reporters.

Among other things, an informal workshop involving officials from six countries was held in an effort to settle the issue.

Siazon believes the recent workshop on the South China Sea dispute should not be formally taken to the government level. Several issues can be jointly dealt with in the workshop by the countries that claim the disputed islands. It was also agreed that the six countries will participate in the debate on the disputed Spratly Islands.

Indonesia had repeatedly held informal workshops on the South China Sea.

The Philippine foreign minister said the ARF (ASEAN Regional Forum) had recently discussed the issue.

At the recent SOM [Senior Officials Meeting] hosted by Indonesia in conjunction with the ARF, invitations were sent to 14 of the 18 countries situated in the vicinity of the Spratly Islands. According to Siazon, discussions were held at the bilateral level. During the session, there was an opportunity for the Philippines to make contact with China and Malaysia. Other countries that claim the disputed islands also had the opportunity to make contacts with China.

He expressed confidence that the Spratly dispute will not develop into a military conflict. Expressing optimism, he said: "We believe that ASEAN will stand firm and united in seeking a peaceful solution. Similarly, President Ramos and his Chinese counterpart firmly believe that the resolution of the Spratlys issue can be achieved through peaceful negotiations." [passage omitted on execution of Philippine maid by Singapore]

### Burma's SLORC Chairman Meets With Suharto

*BK0506141195 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 5 Jun 95*

[FBIS Translated Text] The chairman of the State Law and Order Restoration Council [SLORC] of Myanmar [Burma] and Mrs. Than Shwe arrived in Jakarta this afternoon and were welcomed by the president and Mrs. Suharto with a military ceremony at Jakarta's Merdeka Palace. After the Myanmar [Burmese] delegation was introduced to Indonesian high-ranking officials, the president escorted them to the State Guest House. Speaking to reporters, Minister-State Secretary Murdiono said the Myanmar visitors had expressed their pleasure to be able to visit Indonesia at the invitation of President Suharto.

[Begin Murdiono recording] The SLORC chairman said his visit is primarily aimed at strengthening existing bilateral ties. He also expressed confidence that the current visit will boost trade and economic cooperation between the two countries in the future. President Suharto conveyed the Indonesian people's gratitude for the great support extended by Myanmar in the early years of Indonesia's independence. We all know that Myanmar played an important role in the convening of a conference on Indonesia in New Delhi in the early years of our independence. It turned out that the New Delhi conference facilitated international recognition of our independence. The president also expressed the Indonesian people's gratitude to Myanmar, which supplied rice when we badly needed it. The Indonesian people will never forget the assistance given to us during our critical moments. [end recording]

The president and Mrs. Suharto will host a state banquet in honor of the SLORC chairman and Mrs. Than Shwe at the State Palace this evening.

### Minister: Australia Shifts Perception of Asia

*BK0206142095 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 2 Jun 95*

[FBIS Translated Text] Australia's perception of Asia and Indonesia has changed — that country used to view us as a military and sociopolitical threat 10 years ago, but now Australia looks at us as a partner and potential market. B.J. Habibie, state minister for research and technology, said this after he met with President Suharto today to brief the president on the outcome of his 10-day visit to Australia. The minister added that while Australia exported 70 percent of its goods to Britain 10 years ago, Australia now exports 75 percent of its goods to Asia, nine percent to Britain, and the rest to other countries.

[Begin Habibie recording] The shift of perception shows Australia's growing interdependence with Asian countries. Asia's economic growth is also higher than that in Europe and the United States. This has brought about a shift in the perception of the Australian younger generation, who no longer sees Asia and Indonesia as a military and sociopolitical threat, but sees us as a partner and potential market for Australian products. [end recording]

Minister Habibie's recent visit to Australia was aimed at seeking bilateral cooperation opportunities and new markets because the balance of payments has always been in Australia's favor. The minister also offered to sell CN-235 planes to Australia because that country plans to replace its existing military squadrons.

### Former MP Questioned on Protest in Germany

*BK0406140295 Hong Kong AFP in English 1323 GMT 4 Jun 95*

[FBIS Transcribed Text] JAKARTA, June 4 (AFP) — Former Indonesian MP [Member of Parliament] Sri Bintang Pamungkas said Sunday he had been called in for questioning by police as a suspect in demonstrations in Germany against President Suharto.

"This is the first summons (I've had) as a suspect after I've been officially recalled from parliament," Pamungkas told AFP here Sunday, adding that he would comply with the summons and report to police headquarters on Thursday.

Crimes that endanger the president's life, the category under which the summons was ordered, carry a maximum penalty of death.

Pamungkas, a member of the opposition United Development Party (PPP), had been questioned three times as a witness in April.

He was summoned by police for questioning as a suspect in May but the action was not legal, as cases involving the summoning of MPs must be done by presidential order.

Several days after the initial summons, however, Pamungkas received a recall letter officially removing him from parliament.

The demonstrations staged during the president's visit to Germany in April angered Suharto and military leaders because a number of Indonesians were allegedly involved in organising the embarrassing protests.

In April, army chief-of-staff General Hartono named Pamungkas, among others, as having been involved in the demonstrations.

Pamungkas, then lecturing in Germany, admitted to only being an onlooker at one of the demonstrations.

The former MP had been suspended from parliament since March for inappropriate conduct towards ministers during parliamentary hearings.

### Envoy: Strengthen Unprofor in Former Yugoslavia

*BK0406092995 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 4 Jun 95*

[FBIS Translated Text] Indonesia wants the United Nations Protection Force [Unprofor] in the former Yugoslavia strengthened due to the wider conflict in the Balkan region. Nugroho Wisnumurti, permanent representative of the Republic of Indonesia to the United Nations, disclosed this to reporters after UN Secretary General Butrus Butrus-Ghali offered several alternatives for the future of UN peacekeepers in the former Yugoslavia. First, the majority of UN peacekeepers will be withdrawn. Second, their current presence will be maintained. Third, their mandate will be changed to enable them to use military force and a multinational force will be subsequently deployed there. Fourth, Unprofor's mandate will be changed to enable the force to function realistically under the present circumstances.

According to Ambassador Nugroho Wisnumurti, Indonesia wants the third and fourth alternatives to be combined. Discussions of the alternatives will be held repeatedly because members of the UN Security Council are still conducting a study of the matter. The Nonaligned Movement Caucus is also studying the recommendation.

### Minister Previews Meeting of Donor Countries

*BK0206141895 Jakarta BISNIS INDONESIA in Indonesian 29 May 95 p 1*

[FBIS Translated Text] Malang (BISNIS) — Indonesia will propose U.S.$30 billion worth of development projects to the fourth meeting of the Consultative Group for Indonesia [CGI] in Paris in mid-July 1995. At the same time, Indonesia will request between U.S.$5.5 and $5.7 billion in aid from the CGI.

Ginanjar Kartasasmita, minister of state for national development planning, said details of the U.S.$30-billion development projects are listed in the government's Blue Book, which is now ready to be made public.

The minister was speaking here on Saturday after he was confirmed as professor at Brawijaya University's Faculty of Administration. Ginanjar said Indonesia will offer various development projects in several economic sectors at the upcoming CGI meeting. "The most important projects will be in human resources, infrastructure, agriculture, environment, and regional development," he said.

A source at the Finance Department told BISNIS that Indonesia will request between U.S.$5.5 and $5.7 billion in aid from the CGI — an increase from last year's U.S.$5.2 billion. "The increase is caused by the yen appreciation, which has also affected the creditor countries," said the source.

Ginanjar, however, refused to confirm the amount the government plans to request from the CGI at the upcoming meeting. He said: "I cannot tell you how much we will ask them for because the amount is being calculated." The minister said the government's request for CGI aid for the 1995-96 fiscal year is strongly influenced by the yen appreciation. "The yen appreciation obviously has its impact, but we are still doing our calculations and it is not a simple matter," he said.

The minister expressed his optimism that the CGI meeting will be successful and allocate aid as requested by Indonesia. "The meeting is considered successful if it can allocate the amount of aid in accordance with our needs," he said.

### Foreign Minister Comments on East Timor Meeting

*BK0606061995 Jakarta MERDEKA in Indonesian 3 Jun 95 p 7*

[FBIS Translated Text] Jakarta, Friday, MERDEKA — Foreign Minister Ali Alatas has stressed that Ramos Horta and those who oppose the integration of East Timor do not stand to reap any political benefits from the Intra-Timorese Dialogue (AETD).

Speaking to reporters at the Foreign Ministry in Pejambon, Jakarta on Friday (2 June) afternoon, Alatas said: "This is their attitude, but they will be unable to indulge in any political propaganda during the upcoming meeting."

The AETD meeting is scheduled for Burgschlaining Schloss, Austria from 3 to 6 June.

He said the AETD meeting is apolitical and discussions will be held among the East Timorese themselves, irrespective of whether they come from Indonesia or live abroad.

He said: "It is clear that certain guidelines and regulations must be followed during the apolitical meeting so that Ramos Horta and his group will not be able to use propaganda to distort certain facts here."

He expressed confidence that Ramos Horta will not be able to impose his influence on the group from Indonesia, because only Horta's group stands to benefit. He also said he would not be surprised if Ramos Horta tried something because he has been doing this continuously for a long time.

#### Detained

Meanwhile, a group of East Timorese consisting of 15 youths, two women, and an infant landed at Darwin on Tuesday (30 May) morning in a small wooden boat. This is the first group of East Timorese to land on Australian soil using a medium-sized mode of transportation since the integration of East Timor in 1975.

They were flown to an immigration detention center in Western Australia on Wednesday after their attorney Colin McDonald failed to secure a bond from the legal authorities for their release and assurance that they would remain in Darwin with the East Timorese community there. McDonald applied for visas for them to legalize their status in Australia. McDonald cited trauma and torture as the criteria when he submitted visa applications for 16 of them. The group was involved in the incident in Santa Cruz, Dili in November 1991.

The Australian Government considers their visa applications questionable, however, and has ordered them to undergo medical examinations first.

## Thailand

### Bangkok, Hanoi To Solve Sea Clash Peacefully

*BK0406130995 Bangkok THE SUNDAY POST in English 4 Jun 95 p 1*

[Report by Suphaphon Kanwerayothin in Hanoi]

[FBIS Transcribed Text] The Thai and Vietnamese governments have pledged to resolve last Wednesday's bloody confrontation in the Gulf of Thailand to prevent it from derailing relations.

"The two sides are urgently trying to resolve the incident through diplomatic channels," said a Vietnamese Foreign Ministry statement released yesterday, Hanoi's first official reaction to the clash.

Mutual accusations abound, therefore a thorough investigation is needed to establish what occurred as discrepancies appear in each side's account of the incident, according to sources from both sides.

Two Vietnamese and one Thai were killed when the Thai Navy vessel Khlong Yai clashed with Vietnamese border guard forces in the Gulf.

The Thais said the Vietnamese were harassing Thai trawlers in areas where territorial claims overlap, while the Vietnamese said the trawlers and the Thai Navy vessel were intruding into Vietnamese waters.

On the basis that the incident occurred where claims overlap, Thailand accused Vietnam of violating an agreement which allowed trawlers to operate in the zone, since the Vietnamese forces were found towing six trawlers from the area toward Vietnam before the clash.

From the viewpoint that the incident occurred in its territory, Hanoi said Bangkok violated the same agreement which it quoted as follows:

"The two sides would educate and manage their fishermen to respect each other's territorial waters and not to use naval and air forces to escort trawlers thereby causing armed conflicts."

Originally Vietnam alleged two Thai Navy ships and three Air Force planes took part in the operation. But its Foreign Ministry stated that only two Thai ships were involved.

Thailand insists only the Khlong Yai was at the scene.

"(The solution) depends on how both of us would like to perceive it. Thailand would prefer not to view it as a serious matter, otherwise it will bring about a whole host of other implications," said Thai Ambassador to Vietnam Chaloemphon Ek-uru.

Vietnam asked for the immediate release of the wounded Vietnamese and repatriation of the two bodies, along with an investigation of the incident.

Thailand called for the release of five trawlers together with their 62 crew detained in Minh Hai, the southernmost province where the Interior Ministry's patrol forces that clashed with the Thai Navy are based.

"These things happened as a matter of course. We don't want an incident at local level to escalate into harming overall relationship," the ambassador said.

The incident occurred ahead of technical talks between Thai and Vietnamese officials scheduled to open tomorrow on delineating the Gulf of Thailand.

One question that has to be answered is the exact location of the clash in overlapping areas or in whose waters.

The Thais said the Vietnamese patrol boats modified from trawlers carried no identification or flags and the patrol forces did not wear uniforms while they were forcing six Thai fishing boats from overlapping areas in the Gulf toward Vietnam.

On Thursday afternoon, Vietnamese Ambassador to Thailand Le Cong Phung was called to meet East Asian Department chief Sombun Sangiambut in Bangkok.

At the same time in Hanoi, a Thai embassy official met a deputy chief of Vietnam's Southeast Asia Department.

Aides-memoire recording their versions of the event were traded during these meetings.

### Editorial Urges Solution to Disputes in Gulf

*BK0506024295 Bangkok THE NATION in English 5 Jun 95 p A4*

[Editorial: "Urgent Response Needed to Gulf of Thailand Shoot-Out"]

[FBIS Transcribed Text] What was to have been a fairly dry technical meeting today between Thai and Vietnamese officials to discuss overlapping territorial claims has been given added urgency by last week's shoot-out in the Gulf of Thailand.

Many of the details of the clash, which left two Vietnamese and one Thai fisherman dead, remain obscured by the conflicting versions put forward by Bangkok and Hanoi. What is clear though is that if the dispute is not clarified quickly it could do great damage to Thai-Vietnamese relations which have been improving rapidly after decades of Cold War mistrust.

The Foreign Ministry said on Friday that the Vietnamese casualties occurred during a struggle after Vietnamese naval vessels, trying to arrest five Thai trawlers fishing in the disputed waters, boarded one of the boats.

Hanoi claims the Vietnamese border guard vessels were attacked by two Thai Navy ships, as they were taking ashore the Thai trawlers.

At the centre of the dispute is exactly where the skirmish took place.

Bangkok says it happened 220 km off the coast of Songkhla. Hanoi has yet to pinpoint where it believes the incident occurred although it similarly claimed the area as within Vietnamese boundaries.

#### Encouraging response

Despite the gravity of the incident, the initial reactions of the two countries have been encouraging, with both Bangkok and Hanoi seeking to play down the sensational aspects of the clash in favour of finding a diplomatic solution.

On Saturday, Hanoi retracted an earlier allegation that Thai air force planes were involved in the battle. Bangkok would now do well to follow up on that concession by agreeing to a Vietnamese request for the return of the bodies of the two killed patrolmen. Both countries would also be wise to consider a speedy repatriation of the "prisoners" they took — the 62 Thai fishermen now being held in Minh Hai and another Vietnamese patrolman held by the Thai Navy — and also launching a joint investigation into the clash.

The shoot-out was the first confrontation between Vietnam and Thailand since they agreed in March to let each other's deep sea fishing fleets operate in the disputed area. Both sides also pledged to avoid using force and to settle violations according to international law.

Obviously, though, this wasn't enough to halt last week's unfortunate deaths.

And unless a solution is found soon, more clashes will surely happen as competition increases for the Gulf's limited resources.

In both Thailand and Vietnam, declining fish stocks and rapacious fishing techniques are forcing trawler skippers to head hundreds of miles out to sea to maintain their yields. Complicating matters is the weak control the central government in Hanoi has over provincial marine authorities which often take it into their own hands to protect local fleets.

### Search for a formula

Finding answers to overlapping territorial claims is never easy, as has been clearly demonstrated by the acrimonious row over the Spratlys. Often the more viable option is to search for a formula —like the Thai-Malaysian Joint Development Area — which allows both parties to mutually exploit the resources of the disputed area.

Even if such a scheme is not feasible in this instance, both sides still need to find a workable scheme to manage fishery resources in the Gulf of Thailand. At present there is a dangerous imbalance between harvesting techniques and environmental protection.

And unless something is done to remedy that, not only will there be fewer fish to go around, but there will be much greater chance of conflict arising over the competition for the remaining stocks.

## Results of Trade Talks With Japan

*95SE0131A Bangkok NAEO NA in Thai 15 Apr 95 pp 13, 19*

[FBIS Translated Text]

**Background After Thailand and Japan reached trade agreements in 1957 and then in 1968, the two countries set up a joint trade committee (Joint Trade Committee; JTC) and have held 12 cabinet-level meetings. The last such meeting was held in October 1987 in Tokyo. This JTC meeting was divided into two levels: the cabinet-level meeting was led by the Thai Minister of Commerce and by the Minister of International Trade and Industry (MITI) while the meeting for administrators was led by the director-generals of the Ministry of Commerce and the Foreign Ministry.**

After the 12th meeting the Thai side proposed that there be a 13th JTC meeting, but the Japanese side was evasive; they did not want to hold talks because each time that there were talks the Thai side tried to get the Japanese side to reduce its various obstacles which hindered Thai trade. This would not have been beneficial to Japan. In the end the Japanese side proposed that the talks be changed to meetings in the form of policy dialogues on trade, industry and investment. These were to be meetings at the director-general level with the Thai side led by the Director-general of the Department of Foreign Trade while the Japanese side was to be led by the Director-general of the Department of Economic Cooperation of MITI.

These policy dialogues have been held four times. The last meeting was held on 14 March 1995 in Bangkok. It had been scheduled for December 1994 in Japan, but Japanese officials were not ready inasmuch as the head of the Japanese side, Mr Hidehiro Kono, had to go to a SEOM-MITI meeting in Indonesia, and it was more convenient for this meeting to be held in Bangkok because they could meet on the way back from the same trip.

### The Director-general of the Department of Foreign Trade Representing the Thai Side

In this last meeting, the fourth, held in Bangkok on 14 March 1995, the Thai representatives were led by Mrs Aranut Osathanon, the director-general of the Department of Foreign Trade, and included representatives from the Department of Foreign Trade, the Department of Export Promotion, the Department of Commercial Economics, the Department of Intellectual Property, the Office of Industrial Economics, the Department of Industrial Promotion, the Department of Agricultural Promotion, the Department of Fisheries and the Department for East Asia. The Japanese representatives included Mr Hidehiro Kono, the director-general of the Department of Economic Cooperation of MITI, who was the leader, and representatives from the Ministry of International Trade and Industry (MITI) and from Japanese units in Bangkok such as JETRO, Japan Overseas Development Cooperation (JODC), New Energy and Industrial Technology Development Organization (NEDO), and the Japanese Embassy in Thailand.

### Opening the Discussions

During the talks the two sides raised the following issues for discussion:

Policy and the Trade Situation

The two sides exchanged views about policy and their trade situation. The Japanese side brought up the Thai trade imbalance with Japan and said that this was the result of the importation of capital goods from Japan. More than half of the imports were autos and various auto parts. If the production of auto parts were developed, the problem of this imbalance would be corrected to a great extent.

Cooperation Between the Two Sides

With regard to making markets more free, the Thai side raised the issue of access to the Japanese market. There were still tariff and non-tariff problems. The Thai side also proposed goods which Thailand had the potential to produce for the Japanese market. The Japanese side indicated that most of the goods which the Thai side proposed were agricultural goods which were the responsibility of the Japanese Ministry of Agriculture and Ministry of Public Health. MITI officials agreed to inform the units involved later. Japan had previously permitted the importation of six types of vegetables and fruit, namely, coconuts, durians, green bananas, mangos (some types), pineapples and grapes. The Thai side requested that this be increased by three more types, namely, mangosteens, pomelos and papayas. JETRO, which is the unit for promoting trade in Thailand, suggested that Thailand work closely with JETRO in Bangkok on this matter in the future.

Construction materials, furniture and household goods were the responsibility of MITI. The import tariff on these goods was not high and so sales depended on market competition in Japan.

Regarding trade promotion, the Japanese side agreed that it would provide assistance in the form of the STAR PROGRAM in 1995 for fashion jewelry and accessories. It would arrange for experts to provide advice later. As for the special promotion program they asked the Thai side to reach an agreement with JETRO again on the details.

As for GSP the Japanese side felt that raising the ceiling or increasing the quota would be difficult because they might have difficulties with domestic producers. Japanese officials made a record of the request that the GSP list be increased and the GSP tariff be reduced to nothing; when they made their yearly review of GSP, they would review this list. As for the GSP related to agricultural goods and fish, they would report the request to the units involved later.

Regarding various cooperative efforts in projects related to previous projects, which could be divided into government sector projects and private sector projects, the details were as follows:

In the government sector the project to develope a Thai system for intellectual property was well supported by the Japanese side. The project began in January 1995 (for a 5 year term). Its primary activity was to collect industrial data and create civil servants for a data center. The JICA was to invite Thai experts for training in Japan, and the Japanese Patent Office (JPO) was to select two Japanese experts to be stationed in Thailand. The other matters were under consideration.

In the private sector 1) the Center for the Development of Food Products of the Thai government was to consult with the Industrial Council of Thailand to clear up the details before there were more discussions with the chairman of JETRO. 2) The project for developing cassava was well supported by Japanese officials, and the Foundation for the Development of Cassava proposed a related project involving the setting up of a research office and asked for support from Japan. MITI indicated that the additional project requested had been considered in detail and had been found to be largely related to cassava. So it felt that this was the responsibility of the Japanese Ministry of Agriculture, and the project was passed on to the Japanese Embassy which would send it on to the JICA for consideration later. The Japanese side agreed to follow through on the project to increase production through the use of chemicals. As for the project for producing food from the flour, there was only one expert.

New projects in the government sector were as follows: 1) Regarding the project for commercial weights and measures, the Japanese side indicated that there were few experts in this area. There was training in this area every year, and the quota for Thailand was one person (19 had completed the training already). They were not able to increase the number taking the training but would maintain the present quota. The providing of experts would be a violation of a JICA principle (specifying one project per ministry). It was sending experts to work with the Thai Ministry of Science and therefore was not able to send more. If the Ministry of Commerce still needed help, they might explain to the Japanese Embassy why it was necessary that they expand their assistance to more than one ministry. If the embassy and JICA agreed, they would be able to do this. 2) Regarding the project to make preparations to set up an agricultural market in Thailand and the project to increase effectiveness in operations to prevent monopolies, the Japanese side indicated that the Thai side should get in touch with Mr Nichimura of the JODC in Bangkok, and MITI would arrange for experts to come and provide advice again. 3) The Japanese side would study the details of the project to provide training in running and setting up the data system.

Regarding private sector projects, there was a project to provide training for low-level and mid-level administrators. The Japanese side indicated that if this were a private sector project, it would be the responsibility of AOTS, and Thailand would be responsible for one-third of the expenses while MITI would be responsible for two-thirds. As for the number of people involved and the years, they would have Thailand get in touch with Mr Yochimura of AOTS in Bangkok.

Regarding AFTA, there were discussions about the tariff reductions under AFTA and the working group for the agricultural sector which was being considered. MITI was to hold a seminar about AFTA in June 1995 in Tokyo.

**Cooperation in Industry and Investment**

The Ministry of Industry proposed a project to set up centers for starting [entrepreneurs] (Incubators) and asked for experts from the JICA. The Japanese side indicated that in the past this had been successful only in the big cities. This project as requested might not be ready for next year because it had gone beyond its allotted time. Regarding the relocation of industry project, the Japanese side indicated that it would send experts. If this were undertaken, there probably would not be a large-scale survey under the BBC scheme. As for the auto industry in ASEAN, Japan would expand the scope of the BBC scheme, which would include not just the relationships of producers in one branch but would include the relationships of other branches also. The Thai side agreed with this.

The meeting involving the policy dialogue on trade, industry and investment was considered to be an important key for the Ministry of Commerce to mesh the cooperation between Thailand and Japan. In the past Thailand had problems in its trade with Japan with regard to market entry. Although the requests for cooperation with regard to reducing the various obstacles to trade had not made any progress, nevertheless the assistance for various projects was considered to have been very good.

## Burmese Group Warns Over Return of Refugees

*BK0606035995 Bangkok BANGKOK POST in English 6 Jun 95 p 9*

[FBIS Transcribed Text] A main Burmese opposition group urged Thailand yesterday not to repatriate 100,000 Burmese refugees until Burma's long-running, low-level civil war is settled.

The call by the National Democratic Front (NDF) comes after recent urging by Thai security officials to send the refugees back to Burma.

The NDF is an umbrella group of ethnic minority guerrilla forces battling Rangoon for greater autonomy.

"Although a decision by the Thai government to repatriate Karen refugees may be beneficial to Thailand in the short term, such a decision could, far from ending the civil war lead to the escalation of the war," the NDF said in a statement.

An opposition source said the NDF was concerned that refugees pushed back before a peace settlement were likely to face rights violations at the hands of government troops, fuelling the cycle of conflict.

"If you send people back prematurely they'll be subject to more abuses and will see no alternative but to take up arms again," the source told Reuters.

Senior Thai security officials have said recently that 70,000 Karen refugees in Thai camps should be sent back to Burma because the situation there had now returned to normal after fighting between Burmese forces and Karen guerrillas earlier this year.

Many of the Karen in the Thai camps, as well as many among smaller groups of Mon and Karenni (ethnic cousins of the Karen) refugees, are family and supporters of the guerrilla groups operating inside Burma.

"Until and unless an agreement terminating the civil war, based on the resolution of political problems, is reached, the refugees should not be repatriated," the NDF statement said.

Meanwhile, a group of refugees from Burma who recently fled from fighting between government forces and guerrillas in Burma's Shan state are facing increasing sickness and hunger, a refugee worker said yesterday.

Almost 2,000 people, most of them members of mountain-dwelling ethnic minorities, fled to the Burmese side of the Thai-Burmese frontier after fighting between government forces and Shan rebels flared up in March and continued for two months.

Kya U, a Shan refugee official looking after the displaced people, said scores of them are now sick with malaria and diarrhoea and all of them faced precarious food supplies.

"They are living under plastic sheets in the jungle. Food and medicine are in very short supply because Thai authorities do not allow anything to cross the border," Kya U told Reuters.

The refugees were surviving on small amounts of rice and other supplies smuggled across the frontier, he said.

Thailand sealed long stretches of its northern border with Burma's Shan state last year in an attempt to isolate Burma's opium warlord Khun Sa who is fighting Rangoon government forces from strongholds on the Burmese side of the frontier.

Amnesty International on last Tuesday accused Burmese military authorities of stepping up human rights abuses against ethnic Karen civilians, including torture abduction and murder.

In a report received in Bangkok, the London-based group said it had documented an "ongoing pattern of such abuses in the Karen state" over the past eight years but the situation had "deteriorated sharply" since December 1994.

### Article Criticizes Burmese Spy Network

*BK0406130195 Bangkok THE SUNDAY POST in English 4 Jun 95 p 18*

[Article by special correspondent: "Powerful Khin Nyunt Gets High on Un-intelligence?"]

[FBIS Transcribed Text] Perhaps Burma's powerful military intelligence chief Lt-Gen Khin Nyunt has no intelligence but has only the intention to make more enemies.

Khin Nyunt's recent statement raised many eyebrows when he criticised Thai politicians regarding border tension between Rangoon and Bangkok.

The state-owned NEW LIGHT OF MYANMAR quoted him as saying "some Thai politicians traditionally turn to diversionary tactics whenever they face an unstable political situation." He said recent border tension is the result of a "political ploy" by Thai politicians to "divert" the attention of the Thai people from a political crisis.

During the incursions by the Burmese, army Lt-Gen Khin Nyunt was the only one who said Burma did not regard misunderstandings with its neighbours as a serious problem.

Khin Nyunt, however, has changed his tone. "Such border problems were created by 'self-seeking' Thai politicians and were aided and abetted by the foreign media, some in government organisations and lackeys of foreign governments bearing ill-will against the Slorc [State Law and Order Restoration Council]."

Why did Khin Nyunt make such a brazen attack?

Acting Thai foreign minister Surin Phitsuwan rebuffed, "No one could set up border conflicts with Burma as a political ploy. I don't think Khin Nyunt understands that Thailand is a democratic country, which is totally different to Burma."

It was not first time Khin Nyunt has made such a strange statement. In 1990, soon after the general elections he made a seven-hour speech accusing the democracy movement in Burma of being created by the Communist Party of Burma (CPB).

Ironically, the CPB which was then based near the Chinese border and collapsed under serious mutiny. The handful of senior communist leaders did not pay serious attention to urban-led democracy in their territory.

On April 1, Khin Nyunt spoke at the closing ceremony of a special refresher course for basic education teachers.

Again, he accused Khun Sa of using drug money to organise many "bogus organisations with former Shan rebels who escaped to foreign countries, including the United States, to indulge in anti-Myanmar [Burma] activities."

Nine such groups attended a conference in New York in January which was organised by the Shan State Association USA, which Khin Nyunt accused of being a drug trafficking organisation.

He also accused Karen leader Gen Bo Mya of being a Khun Sa colleague "with whom he has been secretly trafficking in heroin since 1991 ."

He also named Peter Bourne, a former adviser to the Carter administration on anti-narcotics, as an example of "some influential persons in the US" whose sympathy Khun Sa was trying to gain.

Chao Tzang (Eugene Thaike), son of the first president of Burma who organised the Shan Conference in New York, spoke to the Canadian-based BURMA ALERT BULLETIN.

"If you look carefully at Khin Nyunt's speech, you will notice his claims are not true. For example, it is not true that everybody except Khun Sa has stopped opium production," Chao Tzang said.

"It is also well-known that Bo Mya is not involved in drug trafficking. Either Khin Nyunt is trying to fool the Burmese public or the quality of intelligence he is receiving from his spy network is very poor."

Chao Tzang continued: "From his allegations, I think Khin Nyunt must have a very high opinion of Khun Sa and his organisation.

"I do not need to attend a course in Meng [Homein — stronghold of Khun Sa] given by Khun Sa in order to learn how the world works. Khin Nyunt's allegations about Peter Bourne show how ignorant he is about how things work in US. Maybe he needs to take one of Khun Sa's political courses."

The question again is: How did Khin Nyunt find out the information? Why was he using false information? As a military intelligence chief, does he really know what is going on around him or just trying to make up stories?

In the past, it was claimed that Khin Nyunt had one of the most efficient military intelligence services in Asia.

But he has had to trust his men who may have given him false information.

Regarding his recent attack on Thai politicians, it is possible Khin Nyunt's reliable network in Thailand has been receiving wrong information from some unreliable sources.

Perhaps there is a ploy within the DDSI [Directorate of Defense Services Intelligence] to ridicule Khin Nyunt and hurt his reputation.

Nevertheless, a source in Rangoon suggested Khin Nyunt's rival faction has penetrated the DDSI. As a result, some of Khin Nyunt's men have been replaced or transferred.

One Burma observer suggested Khin Nyunt wants to show off the power of his intelligence service and has thus relayed information his men have given him.

"He always does it that way but most his information is not intelligent and true."

A diplomat in Rangoon said: "Watch Col Kyaw Win, he is a rising star." Col Kyaw Win, deputy chief of the DDSI recently made strong statements against Bangkok and dissidents in exile.

"He is relatively young and bright. But it is uncertain whether he will become a head of DDSI," a diplomat said.

Journalist Bertil Lintner wrote in an article two years ago:

"Kyaw Win has on three separate occasions in his career served directly under Than Shwe (chairman of Slorc) — first as adjutant to Than Shwe when he served as commander of the 88th LID [Light Infantry Division] in the late 1970s, then as chief intelligence officer of the same unit. Kyaw Win is still very close to Than Shwe and has only formal relations with Khin Nyunt."

In any case, Khin Nyunt's recent statement indicated he has no intelligence information nor a clear understanding of the outside world even his neighbouring countries.

### Finance Ministry, Central Bank Tackling Deficit

*BK0606061395 Bangkok THE NATION in English 6 Jun 95 p 12*

[FBIS Transcribed Text] The Finance Ministry and the Bank of Thailand have designed a national approach to the reversal of Thailand's current account deficit and the creation of a surplus. A senior assistant governor of the central bank said it and the ministry will submit to the Cabinet a timetable for the task.

Dr. Chaiwat Wibunsawat's disclosure reflects a growing chorus among the top policy-makers concerning the need to tackle once and for all the current account deficit, which has been the weakest point statistics have revealed in the country's macroeconomic picture.

As of the end of 1994, the current account deficit stood at Bt213.7 billion, equivalent to 5.9 per cent of the GDP. This gap results from the extraordinary demand for money for investment in the fast-growing Thai economy, and from losses of foreign exchange spent by Thai tourists, who have more disposable income to spend during their overseas trip. As a rule of thumb, a country's current account deficit should not exceed the equivalent of 2-2.5 per cent to the GDP.

Chaiwat emphasized that the current account deficit is not a serious problem beyond the capacity of the country to resolve but added that all economic sectors, not just the Finance Ministry or the central bank, should share the burden equally.

He said the International Monetary Fund, which monitors the Thai economy closely, also shares the view that the current account deficit is not growing out of hand because it is a normal result of the rapid expansion and infrastructure development of the Thai economy, which is producing to full capacity.

"We are not facing a shortfall in savings. On the contrary, our savings, when compared to other countries, are standing at a high level, equivalent to 34 per cent of GDP. Besides the government has been enjoying a budget surplus for eight years in a row," Chaiwat said.

Since the Thai economy has been expanding rapidly over the past several years, with the growth rate averaging eight per cent annually, it needs to import capital goods to support its growing manufacturing base, resulting in the huge trade deficit. But once export-oriented industries reach a more mature level, imports of capital goods will slow down, reducing the trade deficit and consequently the current account deficit.

"We believe that over the next five years to the year 2000, Thailand's current account deficit should fall to 3-4 per cent of the GDP," Chaiwat said.

This year the current account deficit is expected to fall slightly to 5.7 per cent of the GDP, which will also keep growing. Yet Thailand's credit worthiness remains strong, having a strong debt creation capacity and enjoying huge international reserves of US$32 billion as of April 1995. In May the international reserves are expected to shoot up by another US$1 billion to the level of US$33 billion.

"Our financial position remains very strong. If you look at the trade figures, you'll see that our trade deficit is in decline. In 1991 we suffered a trade deficit equivalent to 10.4 per cent of the GDP. In 1994 the ratio fell to 6.3 per cent," Chaiwat said.

Earlier, Finance Minister Tharin Nimmanhemin indicated that a task force would be established to draw up a deficit cutting plan by looking at the shipping and tourism businesses.

The Finance Ministry plans to cut taxes charged to shipping companies to boost the merchant marine fleet. Thai shippers are paying Bt150 billion annually to foreign shippers, an amount equivalent to about one-third of the country's current account deficit.

According to the central bank's Research Department, imports of special goods such as aircraft and military hardware have contributed to the widening of the current account deficit. But imports of these goods have no direct implications for economic activity,

If imports of aircraft and military hardware and the effects of foreign exchange deregulation are factored out, Thailand's current account deficit should stand at 5.2 per cent of the GDP instead of 5.9 per cent.

One interesting point in the statistics is the downward trend of the surplus in trade in services, which was equivalent to 3-4 per cent of the GDP in 1990-1991. The service surplus fell to 3 per cent of the GDP over the past three to four years to 0.4 per cent of the GDP in 1994. This has made the pace of improvement in the current account deficit slower than in the past.

"It is difficult to improve the services surplus. This can be explained by the sophistication of our economy and the growing disposable income of the people. When people have more income, they tend to spend more. All countries in ASEAN are facing a similar situation," Chaiwat said.

Malaysia has gone so far as to set up an "Invisible Trade Committee" to tackle its current account deficit because its problem is more serious than that of the neighbouring countries.

## Banks' Call for Monetary Policy Review Rejected

*BK0606040595 Bangkok BANGKOK POST in English 6 Jun 95 p 19*

[FBIS Transcribed Text] The Bank of Thailand will continue its tight monetary line by keeping interest rates high despite commercial banks' calls to review the policy.

Although liquidity in the money market soared last week it had tightened since causing an increase in the interbank annual rate from 8-9 percent last week to 10-11 percent yesterday, said Bank of Thailand Governor Wichit Suphinit. The central bank had to inject 8- 9 billion baht into the market.

Demand for money is increasing at the same time as banks have to set aside reserves from their liquid assets. Businesses are closing their mid-year accounts and also need money for their mid-year bonuses.

Excess liquidity in the money market in recent weeks prompted some commercial banks to reduce their deposit rates. They asked the central bank to reduce its interest rates in the repurchase market to enable them to lower their deposit rates.

Kiatchai Sophasathianphon, executive vice-president of Siam City Bank, said deposit interest rates of commercial banks were unrealistically high. The annual deposit rate should not exceed 12 percent but banks were paying 12.25-12.5 percent.

The repurchase rate was 10-11 percent, Mr. Kiatchai said. If the Bank of Thailand made it lower than 10 percent, commercial banks would be able to cut their deposit rates.

But central bank chief spokeswoman Nophamat Manolihakun said it would not cut the repurchase rate. If banks cut their deposit rates, their minimum retail rate, a benchmark for small borrowers which was based on deposit rates, would be cut and that would encourage more small loans.

The central bank set a target for credit growth this year of 24 percent. If demands for loans increased, it would be more difficult to keep within target, Mrs. Nopamart said.

She said the central bank conceded capital inflow was very high, but it was commercial banks' responsibility to adjust their liquidity to suit the situation.

Mr. Wichit said the net capital inflow in the past month amounted to about 10 billion baht, but most of it was invested in Thailand to gain from interest rates. It would then flow out.

Demand for money is now higher than liquidity, a situation which will continue throughout this month.

The central bank will not pressure banks which have already cut their deposit rates as market mechanisms will achieve this, according to Mr. Wichit.

## Ongoing Logging Business With Cambodia Noted

*BK0606053095 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 6 Jun 95 pp 1, 2*

[Report from Trat Province by Naowarat Suksamran]

[FBIS Transcribed Text] Huge logs from the forests of Cambodia no longer dominate cross-border trade in

Trat's Khlong Yai district, but it is business as usual for rough-sawn timber.

The Thai National Security Council (NSC) backs this lucrative trading point as a "temporary border crossing" and will not seal it off despite criticism from some international non-governmental organisations.

They claim some of the trade is done directly with the Khmer Rouge and note the Cambodian government's grace period to remove already felled logs from legally granted concessions expired on April 30.

"Only about 40 per cent of the timber from concessions granted by the Cambodian government go through Trat," a senior provincial official in Khlong Yai told Inside Indochina.

He said Thai businessmen were not able to import a total of 600,000 cubic metres of timber, which they legally obtained from the Cambodian government, through the land border in Trat.

"The expiry of the grace period is nothing new. It's normal. The Cambodian government cancels old licences in order to issue new ones."

The official said the Cambodian government would make statements about its environment but would renew grace periods in favour of timber traders who would always argue that they needed more time to remove already felled logs.

The Cambodian government is well aware that some of the concessions it granted to Thai and other timber traders straddle Khmer Rouge-controlled areas and that the guerrillas make money from the deals to fight against it, according to the source.

"Blame-it-all-on Thailand", a frequently used argument, has become outdated as more information point to a wider complicity.

"So far the NSC has not issued any order for us to close the border to timber," the official said.

Most Thai timber traders are issued licences from the Cambodian government ranging from 45 days to two years.

"If we dance to the tune of the changing policies of the Cambodian government, we will lose out. The policy is to buy time but eventually, if need be, we will have to close the border for the sake of bilateral relations," he said.

This statement by a senior Thai provincial official who works on the border echoes views of several Thai timber traders interviewed by Inside Indochina.

Thongchai Suwanwihok of Chao Phaya Irrawaddy, a major timber company in Cambodia which also operates on the Thai-Burmese border, said he was able to import less than 50 per cent of his timber under a contract with the Cambodian government.

But he also blamed the problem on the rainy reason, when logging businesses usually take a break because of the rough terrain.

Another timber trader, who declined to be identified, said his company has withdrawn all logging equipment from its concession In Cambodia for repairs during the rainy season "because we can't remove the logs anyway".

The amount of timber which Cambodia exports to Singapore and Malaysia is much higher than that to Thailand as the Cambodian government now seems to favour traders from those two countries, according to the trader.

"It is also the competition among timber traders which contributes to the changing policies of the Cambodian government, which knows that the logs which are exported are not 'already felled logs' but newly cut," he said.

Some timber traders argue that the Cambodian government is aware of criticism from international non-governmental organisations of its environment policy and this led to a cosmetic series of "logging bans and grace periods" in recent years.

But on the other hand, many timber traders exploit the weakness of the government's position to go over their allocated quota — with the cooperation of local provincial officials on the border.

The environmental impact in Cambodia and also in Thai provinces along the border is obvious.

Several Thai farmers in Trat said their province had suffered tough dry seasons for two years. Previously, they depended on the ecological balance of Cambodia's forests but, with extensive logging, there had been little rain.

They spoke of unseasonal rain and droughts and unusual heavy, dusty wind.

Many other Trat residents also complained that timber traders were from out of town, but the locals had to suffer the consequences.

At Kanlapangha Harbour in Ban Hat Lek, Khlong Yai district, several Thai and Cambodian fishing boats have been converted to cargo boats to bring rough-sawn timber from Cambodia's Koh Kong province.

Boats queue at the harbour to unload their cargo onto waiting trucks.

"They make an average of 20 round-trips per day between the harbour and sawmills or 'rest areas'. But just before April 30, it was a 24-hour-a-day operation," said a timber trader.

With all the activities at Kanlapangha Harbour, rest areas and at least 10 sawmills in the district, prices of timber in Thailand continue to rise. Timber traders stock their supply to release it in stages during the rainy season while they begin yet another round at the negotiating table for Cambodia to sell them more logs.

### 'Special Supervisory Body' Urged for Policies

*BK0506030695 Bangkok THE NATION in English 5 Jun 95 pp B1, B2*

[FBIS Transcribed Text] In preparation for stronger global and regional competition and to facilitate government infrastructure projects, Thailand needs to set up a special supervisory body to break through the bottleneck created by coalition government politics, said Deputy Prime Minister Suphachai Phanitchaphak, who will contest Bangkok's Constituency 2 in the upcoming election.

Suphachai, who will run for the Democrat Party, also hopes Thailand will establish another link with India and the Subcontinent to complete its position as a regional gateway after having established links with six countries in the north and two countries in the south.

In an interview with THE NATION, he said he wishes to see Thailand fulfill its longterm economic plans which will prepare the country for the more competitive markets which will develop under the World Trade Organization (WTO) agreements.

Despite his status as a non-elected Cabinet member, Suphachai was one of the few members of the coalition Cabinet to receive positive comments on his performance which was described as "beyond any expectation". Many other Cabinet members were voted by Government House reporters as being "dismal".

The suggested supervisory body on economic and related policies would assure the country's business partners that Thailand would continue on its path in international trade and investment, regardless of government changes or the formations of coalition governments.

Suphachai's suggestion comes at a time when Thailand is increasingly integrated into the global business scene. Thailand was recently accepted as one of the founding members of the WTO. Moreover, it is on the road to liberalizing its trade and investment to comply with international free trade agreements including Asean Free Trade Area (Afta) and Asia Pacific Economic Cooperation (Apec).

Suphachai expressed concern that ever since Chuan dissolved the House, "a number of the government's long-term projects have been suspended, and we are not sure whether the new elected government will continue with those previous commitments," he said.

He said that due to previous positive commitments which the Chuan-led government made during several rounds of international trade talks, "other countries are afraid that we are a dangerous competitor. The visit of the WTO's Director General Renato Ruggiero can not be regarded as routine. It indicated that he has seen the potential of Thailand and our competitive status in world trade," he said.

As part of the elected government led by Chuan Likphai and one of eight Democrat Party economic platform formulators, Suphachai believes that Thailand is at a critical point. No one knows what will happen after the upcoming election on July 2, he said.

But if we establish a form of council to act as a supervision centre to highlight national projects, obstructions occurring from conflicts among coalition parties will be reduced.

"The new government will also face the same problems because we don't have unity in deciding and carrying out the projects," he explained.

Suphachai used the United States as an example. There, special economic and social councils are set up to monitor and supervise the progress of specific government projects.

By setting its priority as a balance between economic development and social impacts, the Chuan government, for the first time in Thailand, set out a financial master plan as a means to make the country the regional financial centre and to promote education and health of people in up-country regions.

It developed the country's agricultural production to be more business-oriented. The Chuan coalition announced the redistribution of income as its priority.

While in charge of international trade, Suphachai improved Thailand's copyright protection and the country was removed from the US's watchlist. He travelled around the world and successfully lobbied Australia to support the Thai permanent representative Danai Dulalampha's bid to become chairman of WTO's farm committee.

Suphachai said that the Argentinian candidate was considered the front runner. Argentina and Thailand are both active members of the Cairns Group of farm exporting nations which pushed through the inclusion of a farm trade agreement during the Uruguay Round of trade talks.

Finally, the Thai candidate won the bid. But Suphachai earlier expressed his concern that Danai's position in the WTO, which is a political post, might not be valid if Danai is not re-appointed by the new cabinet.

Suphachai said that if Danai can continue his assignment as the country's representative at the WTO, Thailand will benefit from in- depth access to the WTO negotiation procedure and also gain information on the world's farming industries and markets.

On a regional basis, Suphachai said that Thailand should also focus on how to strengthen the relationship among Asean countries. He said that closer ties with Asean counterparts will help boost Thailand's bargaining status and push Thailand's position in the wider scope of regional trade.

Suphachai played an important role in initiating the Asian-EU summit, scheduled to take place early next year in Singapore. The summit will mark the first time that leaders from the two continents meet face to face.

In preparation for the Asean summit which is to be held in December this year in Bangkok, Suphachai floated the idea to create a common market in the Asean region after he successfully pushing for a free trade area under the Afta scheme.

"We are in a strong position to continue the work and we tried to concentrate on the service sector and the movement of professionals," he said.

Suphachai has suggested Asean conclude an agreement on the free flow of workers. Moreover, he sought an assurance from the head of the WTO that the multilateral service agreement will enable service professionals from one country to work in any country, especially in developed members of the WTO.

### Wimon Asks for Test of Rifle Before Decision

*BK0306120895 Bangkok THE NATION in English 3 Jun 95 p A6*

[FBIS Transcribed Text] Army Commander-in-Chief Gen Wimon Wongwanit did not order an Army committee to reconsider a tender for the purchase of 200,000 rifles, but merely suggested the committee test the capacity of certain models before making a selection, the Army secretary said yesterday.

Maj Gen Phongthep Phetprathip said he was assigned by Wimon to clarify the order in response to an article published by THE NATION yesterday which reported speculation within the Army that Wimon ordered the committee to reconsider the tenders.

An Army source said on Thursday that Wimon ordered the review because he suspected there may have been irregularities in the committee's consideration of the tender.

The source said the committee was set up early last year to select the most suitable rifles for use by rangers. It considered 11 models and has so far favoured two — the Colt M-16 A-2 and the Australian Steyr Rifle.

The committee presented its recommendations to Wimon recently. But the Army chief said the models were not suitable for rangers, according to the source.

Phongthep said Wimon denied there was any suspected irregularities in the consideration of the rifles. The consideration was conducted prudently by the committee and was supervised closely by the Army chief.

For this reason, Wimon was confident no corruption took place, Phongthep said.

The purchasing committee had in fact, not yet completed considering all tenders or recommending any one tender. Wimon had merely suggested the committee test the potential capacity of tendered rifles.

Additionally, Wimon did not tell the committee which rifles the Army should purchase, Phongthep said.

He admitted that a lot of firearms salespeople have flocked to meet members of the committee because more than [Thai baht] Bt10 billion would be involved in the deal.

Nonetheless, all members of the committees are well-informed senior officials who have a clean background and would not get involved in any corruption, Phongthep said.

### UK Trade Office Increases Ties With Laos

*BK0606053395 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 6 Jun 95 p 2*

[FBIS Transcribed Text] Laos and Britain are building up investment ties with the opening of a British trade office in Vientiane last week.

A British delegation which visited Laos discussed business opportunities, cooperation in countering the narcotics trade, a demining programme for Laos, English-language training courses and exchanges of diplomats.

The two sides on Thursday signed an agreement on investment promotion and protection to encourage private sector contacts.

The signatories were Deputy Foreign Affairs Minister Souban Salitthilat and British Minister of State and the Foreign and Commonwealth Office Alastair Goodlad, who was paying a three-day visit to Vientiane with about 15 senior British businessmen.

Laos has similar agreements with Thailand, Malaysia, Australia and France.

Mr. Goodlad told INSIDE INDOCHINA that regional issues were discussed, including the newly-born Mekong Commission's agreement on sustainable development of the Lower Mekong River Basin, endorsed early in April by Cambodia, Laos, Thailand and Vietnam.

Mr. Goodlad called on Laotian Deputy Prime Minister Khamphoui Keoboualapha, who also chairs the State Committee for Planning and Cooperation, and Minister of Transport, Telecommunications and Posts Phao Bounnaphon.

He told Mr. Phao of Britain's interest in road network development in the region.

The deputy minister was scheduled to call on Trade Minister Sompadit Volasan and to visit the Nam Ngum Dam and Nam Ngum Irrigation Project.

A total of 10,000 [currency not specified] in British assistance is earmarked for the Vientiane Times newspaper and 5,000 [currency not specified] for a reafforestation project.

Mr. Goodlad has been responsible for Britain's relations with Southeast Asia, Australia, the South Pacific, the Far East and the dependent territories of Hong Kong and Pitcairn Island since 1993.

In 1993, he was made responsible for supervising the work of the Foreign and Commonwealth Office of Trade and Industry, which is in charge of export promotion and inward investment.

## Vietnam

### Japanese Aid Officials Meet on Development Plan

*BK0306124195 Hanoi VNA in English*
*0631 GMT 3 Jun 95*

[FBIS Transcribed Text] The cooperation committees of Vietnam and Japan have their first meeting in Hanoi on June 1 and 2 discussed a wide range of questions relating to a programme to identify recommendations for a comprehensive development master plan of Vietnam towards the end of the century and beyond. [sentence as received]

This initiative is a follow-up of the recent visit by the secretary general of the Communist Party of Vietnam, Do Muoi, to Japan in April this year.

The primary focus of the two-year programme will be given to the fiscal, monetary, and industrial development policy questions, including the system building, human capacity building, and individual policy targets and priority programmes of each field.

The programme has two phases. The first one in 1995 will work on the next five-year plan of Vietnam. In the second phase in 1996, the national committees, consisting of senior government officials and development economists, will identify recommendations for longer term development plans and programmes targeting the years 2010 and 2020.

The national committees will meet again in July. This is the first time Japan has entered into this kind of cooperation, which in the view of Japan is a model case for Japanese development cooperation with other developing countries.

A press conference was held here yesterday on the programme by Prof. S. Ishikawa, president of the Country Study Committee for Japan's ODA [Official Development Aid] to Vietnam; and Mr. Fukada, director of the Development Cooperation Division of the board of the project.

### UK Minister on Development Contribution

*BK0406134295 Hanoi Voice of Vietnam in English*
*1000 GMT 3 Jun 95*

[FBIS Transcribed Text] The British minister for construction and planning, Michael (?Brookwater), on Friday concluded an official visit to Vietnam. On Thursday, the British mission gave a construction workshop with the participation of 50 Vietnamese executives and administrators. The British minister told a press conference that he had great optimism that the United Kingdom could contribute to the development of Vietnam by bringing in its experience and expertise.

Two important studies have been carried out in the framework of a technical cooperation program between the two countries concerning a transport master plan for Ho Chi Minh City and the construction of a bridge over the Saigon River.

### English Beam Notes PRC Hails Border Talks

*BK0306151195 Hanoi Voice of Vietnam in English*
*1000 GMT 3 Jun 95*

[FBIS Transcribed Text] The Chinese Government spokesman has hailed the latest round of Sino-Vietnam border talks. The fifth round talks was held in Beijing from 22 May to 27 May. The spokesperson said the negotiations were held in frank, cordial, and constructive atmosphere. The two sides had carefully discussed the problems concerning the land border of the two countries and had reached good prospects. He said the two sides were satisfied with the result of the negotiations.

### Joint Company With Russia Expands Cooperation

*BK0306123695 Hanoi Voice of Vietnam in English*
*1000 GMT 2 Jun 95*

[FBIS Transcribed Text] Vietnam and Russia have agreed on principle to expand cooperation in oil exploration on Vietnam's continental shelf.

The VietSovPetro Joint Company, established in 1981, will jointly conduct oil exploration and exploitation in Vietnam oil fields of Bach Ho [White Tiger] and Thanh Long [Blue Dragon]. Russia will supply credit and take part in other forms of financial support for VietSovPetro, worth a total sum of $75 million.

### Agriculture Bank To Receive Berlin Bank Loan

*BK0506092395 Hanoi Voice of Vietnam Network*
*in Vietnamese 1100 GMT 2 Jun 95*

[FBIS Translated Text] The Vietnam Agriculture Bank and Berlin Bank, a major commercial bank of the FRG and one of the 100 leading banks in the world, have signed a framework loan agreement. Under the agreement, Berlin Bank will grant the Vietnam Agriculture Bank a credit line valued at 50 million Deutsche marks to finance the import of goods and equipment from the FRG and a number of other countries in Europe and other parts of the world. The agreement marks a new stage of development in the close cooperation between the Vietnam Agriculture Bank and Berlin Bank and creates the conditions for expanding external business relations, international payments, and import-export credit services under the agriculture banking system.

### Agricultural Cooperation Pact Signed With Laos

*BK0306161995 Hanoi VNA in English*
*1558 GMT 3 Jun 95*

[FBIS Transcribed Text] Vietnam and Laos has signed an agreement on the bilateral cooperation in agricultural and rural development for 1995.

The signing took place during a visit by Minister of Agriculture and Food Industry Nguyen Cong Tan to Laos from May 28 to June 4.

While there Mr. Tan was received on May 29 by Prime Minister Khamtai Siphandon, who is also chairman of the Lao People's Revolutionary Party. Mr. Khamtai welcomed the visit as an important contribution to strengthening the special relationship and comprehensive cooperation between Laos and Vietnam.

Minister Tan and his party had talks with a delegation of the Lao Ministry of Agriculture and Forestry led by Minister Sisavat Keobounphan. The two sides compared notes of the implementation of their bilateral cooperation in agricultural and rural development programs last year.

The guests also toured a number of agricultural and rural development projects built under the Vietnam-Laos cooperation program in Vientiane and other provinces.

### Credit, Taxation Accords Signed With Denmark

*BK0206140095 Hanoi Voice of Vietnam in English*
*1000 GMT 1 Jun 95*

[FBIS Transcribed Text] Vietnam and Denmark have signed an agreement on preferential credit to Vietnam and an accord on avoidance of double taxation between the two countries. The signing was made during the two-day visit to Denmark by Prime Minister Vo Van Kiet. On Tuesday [30 May], Prime Minister Vo Van Kiet was given a banquet by the Danish prime minister. On this occasion, Denmark announced $200 million in aid to Vietnam until the year 2000 and financial provisions for cooperation investment in joint venture projects. The Vietnamese prime minister expressed gratitude to the Danish Government and people for their valuable assistance.

### Party Delegation Visits Uruguay

*BK0306124595 Hanoi VNA in English*
*0653 GMT 3 Jun 95*

[FBIS Transcribed Text] A delegation of the Communist Party of Vietnam Central Committee (CPVCC) led by Do Van Tai, deputy head of CPVCC's Commission for External Relations, attended 'the fifth Sao Paulo Forum' held in the Uruguay capital Montevideo from May 25-28.

The annual forum of various political parties and leftist organisations in Latin American drew the participations of 150 delegations worldwide.

While in Uruguay, the Vietnamese party delegation met with senior officials of political parties and organisations in and out the Latin American-Caribbean region. It held talks with a delegation of the Communist Party of Uruguay led by Carlos Jundo, one of the three general secretaries.

At the meeting, the Latin American senior officials highly appreciated Vietnam's contribution to the Latin American people's cause for national liberation and independence of as well as people in the world. They also expressed their pleasure at Vietnam's achievements in its current renovation process under the leadership of the CPVCC.

On the way home, the Vietnamese party delegation visited Mexico Revolutionary Party (PRI) at the invitation of the institutional.

In Mexico, the delegation was cordially received by Mr. Alejandro Carillo Castro, politburo member, permanent secretary of PRI and head of its commission for external relations. The two sides informed each other of the situation of the two parties and countries and discussed measures to further strengthen the existing relations between the two parties.

### Radio Views Vo Van Kiet's Visit to Finland

*BK0506131595 Hanoi Voice of Vietnam in English 1000 GMT 5 Jun 95*

[Station commentary]

[FBIS Transcribed Text] After concluding his visit to Norway, Prime Minister Vo Van Kiet visited Lapland before proceeding to Helsinki on an official visit to Finland. Here is our radio editor's overview:

With a goodwill attitude toward Vietnam, even in its most difficult period, Finland provided moral and material support to Vietnam from an early date. From 1973 to 1994, Finland granted Vietnam $180 million dollars, most was spent on setting up the Pha Rung shipyard building plant, upgrading the water supply systems in Hanoi and Haiphong, and training personnel.

Over the last few years, Finland still prioritized Vietnam as one of 10 countries to receive aid. Finland now wants to broaden bilateral relations for mutual benefit. Finland has opened preferential credit for Finnish companies to enter Vietnam. Finland focuses its attention on bilateral cooperation in industry, telecommunications, health care, and environment. Former Vietnamese Prime Minister Pham Van Dong visited Finland in 1977 and Finland's minister for foreign affairs, minister for aid, and minister for industry and trade have visited Vietnam over the past 10 years. The two countries have signed an agreement on procedures of Vietnam- Finland cooperation, an agreement on investment encouragement and protection, an agreement on economic, scientific, and technological cooperation, and an agreement on preferential credit. Vietnam is seeking measures to increase cooperation, investment, and trade between the two countries and to conclude new agreements.

The visit by Vietnamese Prime Minister Vo Van Kiet to Finland, Luxembourg, Denmark, Norway, and Sweden this time is aimed at promoting friendly and cooperative economic and trade relations with all those countries.

While in Lapland, Prime Minister Vo Van Kiet spent his Sunday at a forestry research center, a key and successful industry of Finland. He was introduced to the potential and achievements of the forest industry. He toured a natural forest and a farm rearing precious animals. He was particularly interested in the protection of forest and the creation of parks.

Prime Minister Vo Van Kiet maintained that Finland's achievements and experience in forestry are very useful for Vietnam's forestry and expressed his wish for establishment of cooperation between the forestry services of the two countries with a view to promoting development of the forest industry in each country.

In the evening, the governor of Lapland, (?Ms. Hannele Pokka), gave a banquet in honor of the Vietnamese prime minister, his wife, and entourage.

### Oil, Gas Corporation Regulation Revised

*BK0406151395 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Jun 95*

[FBIS Translated Text] On 30 May, Prime Minister Vo Van Kiet signed an order promulgating decree No. 38-CP, rectifying the regulation on the organization and activities of the Vietnam Oil and Gas General Corporation [PetroVietnam].

Under this regulation, PetroVietnam is the state general corporation established by the prime minister. The corporation comprises an independent state-run accounting agency, dependent accounting units, and administrative and non-productive units working for the interest of the oil and gas sector, especially in the economic, financial, and industrial domains as well as in promoting the supply, distribution, services, information, training, study, and marketing of the sector's product.

PetroVietnam is dutybound to conduct studies in exploration and exploitation; in processing, storing, transporting, and the trading of oil and gas. It is also charged with the export of crude oil and oil and gas by-products, and the import of raw materials and equipment. It has to distribute oil and gas related products, carry out other business activities in accordance with the law, and implement other tasks assigned by the state.

### Firms Want Economic Barriers Lifted

*BK0606090095 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 6 Jun 95 p 2*

[Report from Hanoi by Suphaphon Kanwirayothin]

[FBIS Transcribed Text] Weaned from direct subsidies, Vietnamese state firms are adapting well to the new economic environment and are upbeat about prospects of more profits as domestic and international markets blossom.

Private Vietnamese companies allowed to emerge recently are also performing well, but to thrive in the longer term they want a level playing field with equal treatment with state firms.

The speed at which both categories of companies grow and how competitive they become with Vietnam's entry to ASEAN depends very much on their government's removing obstacles to their growth.

A chronic shortage of capital, complex and extortionist taxation, poor transport and distribution networks, regular power blackouts, a lack of modern management know-how and marketing skills are identified as major constraints on bright prospects for Vietnamese enterprises.

These findings were gleaned from a survey titled "Assessment of Firm Responses to the New Economic Environment", the most up-to-date and comprehensive exercise of its kind in the country.

Jointly undertaken by Vietnam's State Planning Committee and Japan's Overseas Economic Cooperation Fund, the study probed 101 sample enterprises from Hanoi and 107 from Ho Chi Minh City. These companies represent Vietnam's key industries: textiles and garments, chemicals, food processing, metallurgy, mechanical engineering, electrics and electronics excluding power generation.

Of the enterprises studied, 85 are managed by the central government, 63 by local authorities and 60 by private businessmen. They were questioned last November and December.

An overwhelming majority of state enterprise directors approve of the government's equitisation policy.

But the survey analysis presented at the workshop cautions that "the result should be interpreted as their general statements. In reality, progress in the implementation of a pilot equitisation programme has been slow suggesting the difficulty in obtaining consensus of all parties involved".

A majority of enterprises surveyed see limited access to finance as their most serious impediment. They complain about formalities and cumbersome paperwork, collateral requirements and scarcity of funds at banks.

After the money question, outdated machinery and equipment, insufficient marketing and transport facilities further constrain their operations.

"We know very well the problems Vietnamese firms are facing. Yet so far we have not been able to overcome them," said a technocrat from Vietnam's Ministry of Finance at a workshop on the study last week.

The Vietnamese government has pledged to reform its clumsy, time- consuming bureaucracy that breeds abuse and corruption. The companies' attitude that their growth rests in the government's hands underscores the urgency of administrative reform.

"The system still protects state-owned enterprises. For example, lengthy licensing procedures form a kind of protection," blocking opportunities for private firms, notes Teruyuki Tanebe, the cooperation fund's chief representative in Hanoi. "Such protection should be removed over time."

Apart from those obstacles which plague not only Vietnamese firms but also affect foreign investors, the enterprises surveyed complain about "unhealthy competition" that results from rampant smuggling and a lack of proper regulatory mechanisms. These mechanisms are too heavy-handed where they are not needed but inadequate where they are essential.

The survey reveals private enterprises in Ho Chi Minh City to be "more dynamic and larger in scale" than their counterparts in Hanoi. On average, their capital is three times higher and their employment level five times larger than those in the capital.

Private companies in Ho Chi Minh City, formerly Saigon, do better in improvement of capital utilisation and profitability than those in Hanoi.

In Ho Chi Minh City, these companies "appear to have easier access to foreign currency than those in Hanoi. The southern city also has more enterprises that sell most of their products overseas"

Almost half of the state enterprises surveyed identified the state budget as their main source of finance, with bank loans ranking next.

With state funds off-limits and bank loans difficult and expensive, 71.7 per cent of private companies say their business activities are mainly self-financed. A total of 80.8 per cent surveyed in Ho Chi Minh City say they rely on themselves, while the percentage in Hanoi is only 64.7.

Some enterprises also look at joint ventures as a financial source of their business.

While complaining about the credit squeeze, several foreign fund managers and banks say they have difficulties finding bankable projects in Vietnam, according to economist Raymond Mallon, a consultant for Vietnam's state enterprise reform programme.

He asks why there is a squeeze, how suppliers and users of capital can be brought together and what the state can do.

"Limited access to bank credits highlights the need to continue financial sector reform," says Tzumi Ohno, deputy director of the Research Institution of Development Assistance, the cooperation fund's think-tank.

Most firms surveyed see expansion of existing market as their most important management goal, with improvement of the product quality ranked second.

By industry, the textiles and garments, electronics and electrics sectors are found to have posted strongest growth, while food processing fares poorly.

Nearly all enterprises surveyed are bullish about their profitability prospects, with the study noting that "the state-owned enterprises believe in the profitability of their future business more than the non-state enterprises".

All Vietnamese firms feel the presence and pressure of competition. More than seven per cent of companies questioned say there is too much competition. But the fact more than 90 per cent of companies expect to operate profitably in future may indicate healthy competition, according to Mallon.

State-owned firms and smuggled goods are viewed as major competitors of the private sector.

Companies in Hanoi see competition coming from state-owned firms, smuggled goods and small private firms respectively. Private companies in Ho Chi Minh City see state firms as their most formidable rivals. Smuggled goods and small private firms rank almost equally next.

Given the resilience of companies surveyed, the study says the Vietnamese government should promote industrial development. Topping the firms' list of wants are calls for the government to do more to attract domestic and foreign capital to invest in infrastructure, more technology and stabilising of the legal framework to ensure a fair and equal economic environment.

## Administrative Reform, Party Renovation Linked

*952E0074A Hanoi NHAN DAN in Vietnamese 3 Apr 95 pp 1, 2*

[Interview with Le Phuoc Tho, member of the Political Bureau and chairman of the Organization Department of the CPV Central Committee, by P.V. (reporter); place and date not given: "Party Renovation and Reorganization Must Be Closely Linked With Gradual Reform of the State Administration"]

[FBIS Translated Text] [P.V.] Dear comrade, in 1994, very important initial results in many fields were obtained from the party-renovating and -reorganizing task. Now in 1995, under the guidance of the CPV Central Committee, this party renovating and reorganizing task must be closely linked with gradual administrative reforms. Please tell us briefly about these results and show us the relationships between the two tasks.

[Tho] A progress obtained in 1994 was the strengthening of the leading and fighting capabilities of party organizations. The system of organizing the party machineries at all levels was improved. The establishment of party groups and party affairs committees helped to strengthen the party's leadership in state organs and elected organizations. The work of expanding the party showed much progress. It was obvious that renovating and reorganizing the party has created favorable conditions to ensure the effective fulfillment of the tasks set forth by the 7th Party Congress, such as, first of all, to continue to maintain political stability and to have a good level of economic growth, including the period between the beginning of the year and now. These results helped to strengthen the reunification of the country and to raise the awareness and confidence of our cadres and people in the party line on renovation. They also constituted an important reason for helping to enhance the prestige and position of our country in international relations.

However, the renovating and reorganizing process has also led to new problems, including the weaknesses of party organizations and the poor capabilities and qualities of cadres in our administrative machinery as they were shown in our efforts to strengthen the party leadership over the state. This real situation required that our party continue to improve the SRV state, with the central point being the gradual reform of our state administration. It has been affirmed by reality that the party leadership is first reflected in the effective management of the state machinery. The reason is that there cannot be a strong party organization while the power-holding organs and the state machinery remain weak, and vice versa. Consequently, the task of reforming the state administration must be placed within the overall renovation of the political system, for the purpose of building and gradually improving the socialist democracy and ensuring that the entire system of power belongs to the people. Therefore, the task of renovating and reorganizing the party must be closely linked with gradually reforming the state's administrative system. This is also an important task in 1995. To reform the administration is not the exclusive job of the power machinery but also depends on the party's leadership and control at levels ranging from central to basic. In reality, most cadres and civil servants in the state machinery are party members. Party members account for a sizable percentage of those deviant and decadent cadres and civil servants and of those who violate the people's democratic rights. But many localities and party organizations in the organs in charge of reorganizing the party fail to closely link this job with the fight against corruption and bureaucracy. Many cases of corruption being openly tried by the courts of law have not been prosecuted by the cadres in charge or by the party organizations in the units where corruption took place on the basis of their self-control and vigilance. Most of these cases, however, have been prosecuted after the masses denounced them, and after the law enforcement organs and mass information organs criticized against them and struggled to stop them. If this situation lasts longer, it will create mass discontent and adversely affect the prestige of the party and state. Therefore, in the time to come, the programs of action of party organizations in the state organs must include solutions that are aimed at reorganizing the party along with fighting bureaucracy and preventing and repelling corruption and negative action, which lead to losses and waste of public properties. To do so is to gradually clean up the power machinery at all levels. The reason is that we must be administratively strong in order to further develop the leading role and to bring the party line into the daily life. At the same time, to reorganize the party to make it clean and strong is to create favorable conditions for raising the quality and effectiveness of the state management. That constitutes both the cause and effect in the renovating process.

[P.V.] The resolution of the 8th Plenum of the CPV Central Committee clearly states that strengthening the party's leadership over the state is a matter of decisive significance in the process of reforming the administration. So how can we satisfy this need?

[Tho] The plenum has asserted the party's role of assuming leadership over the state. This role, being strengthened and showing progress, is the precondition for the task of perfecting and further developing the role and effectiveness of the state management. This progress is only a beginning. In reality, the party leadership, in many localities and at times, has not yet been properly strengthened. This situation still exists: Party organizations take care of everything and interfere with the work that belongs to the state's executive function. On the other hand, some localities underestimate the leadership of the party and of the collective of party committee echelons. Some state cadres and specialized cadres still believe that party members are weak and have incorrect concepts.

The Central Committee resolution this time has clearly stated the need for strengthening the party's leadership over the state. The party congress documents have also stated the ways to achieve this leadership over the state. I avail myself of this opportunity to offer some additional ideas that are worthy of interest regarding how to organize its implementation.

To strengthen the party leadership over the state is done not only through the party line, party organizations, and party members but, most important and first, by institutionalizing the party line and resolutions by means of the state's legal documents, plans, and policies, and by means of programs of action of party organizations and administrations at all levels. Therefore, in the task of reorganizing the party, we must set forth the contents and needs for strengthening the role of responsibility of party organizations and party members working in state organs. Our experience indicates that the party leads through the party organizations and members working in the state organs, instead of issuing direct orders to the latter. The party organizations and members there have the responsibility to communicate and creatively apply the party line and resolutions to the practical activities of the state machinery. At the same time, we must attentively listen to the ideas of other members of the administration during the process of institutionalizing the party line and turning it into state laws and policies.

The party assumes unified leadership over the cadre work in the entire political system in general, and in the administrative machinery in particular. The party sets the line and policy on cadres and the standards for cadres, and considers and comments on proposals made by administration organs and approved by the state. The good experience of many localities indicates that it is necessary to recommend the cadres and party members who enjoy good prestige and have good capabilities, including those who are outside the party but have virtues and talent and respect the party's leadership, for admission to elected organs and, for just a few, to executive and judiciary organs. This requires the party members who work in the power machinery, first of all the party members who hold leadership and managerial positions, to ceaselessly train themselves and study, to develop their mind, to familiarize themselves with the work of the state, to uphold the law, to improve their moralities, to seriously implement the party's resolutions and discipline, and to further develop their own exemplary piooneering role in the state organs. We must make all party members raise their sense of responsibility and thoroughly understand that to obey the law and state policies is also to implement the party's resolutions.

The party assumes control over the activities of party organizations and party members in state organs, as well as their understanding and implementing party resolutions, discovering new factors, correcting deviations, and resolving on a timely basis any problems that newly appear.

[P.V.] In the process of renovating and reorganizing the party along with reforming the state administration, where does the key issue lie?

[Tho] Our experience indicates that to assume leadership over implementation also covers such activities as building the party politically and ideologically, reorganizing the party to improve its organization, making important changes in terms of cadre work, and so on.

The goal of reorganizing the party along with reforming the state administration must be carried out simultaneously in three aspects: *to reform institutions, to make the machinery compact and neat, and to build and clean up the ranks of cadres and civil servants.* The three aspects are closely linked together and must be carried out in a unified, synchronized, and continuous manner in several years; we cannot afford to be impatient and simplistic. All these matters will finally depend on the cadre work. Therefore, a key issue in our efforts to achieve administrative reforms is to build the ranks of administrative cadres and civil servants and to further clean up the administrative machinery. In this process, we must pay utmost attention to reorganizing the basic-level party organizations in administration organs and making important changes in the work having to do with administrative cadres and civil servants.

The need to be raised first is one that requires party organizations at all levels and various sectors to seriously and effectively fulfill the tasks mentioned in the resolution and the goal of gradually reforming the state administration. As an immediate step, we must concentrate efforts on reforming in a basic manner the administrative procedures, resolving the people's complaints and legal action, improving the new economic regulations, reforming the legislative and regulating plans, and raising the effectiveness of enforcing the law. At the same time, we must take early action to promulgate *the civil service system and regulations for civil servants, and reorganization of the administrative machinery,* for the purpose of creating favorable conditions to stop at their roots corruption and waste of public properties. The regulations for civil servants are to pay attention also to the needs for good qualities and moralities, specialized knowledge, and mental capabilities. What is new is that the party resolution this time proposes strengthening discipline, seriously applying the system of responsibility not only to violators but also prescribing disciplinary action commensurate with the level of responsibility against the collectives and individuals in key positions in the state organs, party organizations, mass organizations, and units where acts of corruption and waste of public properties occur. At the same time, the resolution also proposes a system of reward and protection for those who do the good job of denouncing and fighting against corruption.

To be able to do so, we must continue to renovate the cadre work, to renovate the view on evaluating the performance of administrative civil servants, to ensure the application of the principle of democratic centralism, and to create favorable conditions for correctly selecting and utilizing cadres. We must continue to renovate and perfect the system of civil service grades and levels and the system of salaries, and to link responsibilities with authorities, and tasks with benefit policies. What is important is to discover and improve talent, including that of people both outside and inside the party. We must pay attention to leadership over planning, retraining of cadres, recruitment of civil servants in accordance with position standards, and recommendations through examinations or examination results. This way we must renovate placement and improve the system of schools and classes, particularly the system of training schools for civil servants at provincial, municipal, ward, and district levels.

[P.V.] Reality clearly indicates that it is true that the resolution is extremely important but the organization of its implementation has a decisive significance. In the time to come, in order to fulfill the above-mentioned task, what are the matters we must pay attention to?

[Tho] First of all, party organizations must set a good example in implementing it and make each and every cadre and party member thoroughly understand the basic views and thoughts, the relationships between reorganizing the party and reforming the state administration, and the contents of the resolution of the 8th Plenum of the CPV Central Committee.

To thoroughly understand the Central Committee resolution must go hand in hand with drafting positive programs of action that are suitable for the characteristics of different localities, sectors, and regions. More particularly, there must be programs showing specifically what work to be done, the time limit to finish it, and the actual distribution of work within units and among individuals.

Each echelon must survey and correctly evaluate the true conditions of the administrative machinery, as well as the party organizations in state organs, and actively draft plans for itself. Through the party renovating and reorganizing work, it must step up all aspects of its work and complete each work in a thorough manner. The leadership-assuming process must clearly determine all steps of the work to be done and the measures to be taken to organize coordination among sectors in an actual work assignment. At the same time, it must seriously carry out the systems of control and inspection, and create favorable conditions to ensure that the party's resolution quickly integrate itself into the daily life.

During this process, we must guard against and fight all signs of deviation, such as indulgence, avoidance, sloppiness, formalism, and escapism. At the same time, we must also pay attention to correctly predicting the situation, discovering and correctly resolving on a timely basis any new problems, and quickly disseminating the necessary experiences, including any weaknesses.

[P.V.] Thank you, comrade.

## Australia

### Canberra's Trade With Japan Assessed

*BK0306114495 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 22 May 95 p 15*

[Article by Peter Hartcher: "Shake-Up Overdue In Trade Deals With Japan"]

[FBIS Transcribed Text] Paul Keating's arrival in Japan this week will be the signal for the usual effusion of fine words from the diplomatic propaganda apparatus about what Japanese officials call "the unshakable partnership" between Australia and Japan.

For Keating, it will be the signal to try slapping a distracted Japanese Government into a frenzy of freetrade zealotry so that it will better lead the APEC [Asia Pacific Economic Cooperation] summit of Asia Pacific leaders in November towards a serious program of trade liberalisation.

And while, overall, the Australia-Japan relationship is indeed a healthy one, and while the seeding of APEC is important, Australia has been failing fundamentally in the top-level tending of its biggest market.

The official Australian approach to Japan is flawed by two notable tendencies, both apparently flowing from a lack of ambition or perhaps an excess of self-deprecation.

First, there is a tendency to look at the headline trade figures as they are presented in Canberra and to be so impressed that awe overpowers analysis, or perhaps complacency displaces energy.

Australia's exports to Japan at $16 billion [Australian dollars] last year represent one dollar in every four of total Australian exports — as valuable as the combined sales to the three next biggest markets of South Korea, the US and New Zealand.

These exports continue to grow by 2 per cent last year in Australian dollars. And the trade is heavily in Australia's favour with a surplus of $3.9 billion last year. Australia also benefits from an additional surplus of about $2 billion in its services trade with Japan. And so, seen from Canberra, this looks pretty impressive. It is naturally in the interest of just about everybody involved in the official conduct of the relationship — including Japanese officialdom — to present it as such.

But the hard marketplace truth is that Australia is losing its existing share of the Japanese market for imports. This year, Japan is importing goods worth almost half a trillion Australian dollars. This is twice the size of Britain's import market and larger than the total economy of any other country in Asia. It is by far the main game among Asian markets.

But in calendar 1994, Australia's share of its main export market fell to its lowest point in 15 years, 4.96 per cent. The slippage is slight in percentage terms — down from 5.1 per cent the year before and from an average of 5.4 per cent for the previous 10 years — but expensive in dollar terms.

The one-year loss of market share represents forgone Australian exports last year of $500 million. And the loss of share compared with the average of the previous 10 years is exports forgone of $1.6 billion last year.

This is partly because the price of Australia's exports of coal and iron ore were depressed last year — although this was largely offset by increases in other commodity exports such as gold and beef — and it is partly just a continuation of a long-term trend.

There are rays of hope. Exports of high value-added Australian manufactures grew by 13 per cent last year and there is a vigorous and very impressive group of about 40 small software companies now exporting some $40 million worth a year to Japan.

But impressive as they are, these future hopes contribute less than 5 per cent of today's earnings.

The second damaging trade tendency is the attitude of Australian officialdom to dealing with marketplace difficulties.

Australian officials sometimes describe their trade approach — as they did recently to a curious American journalist — as an "insider" approach, working with existing Japanese systems and interests and hence doing smooth, quiet deals with co-operative friends.

This is supposed to be a contrast with the US "outsider" approach of trying to smash its way through market barriers, and hence having to win wrenching and grudging concessions from resentful antagonists.

However, this is a euphemism. It would perhaps be more accurate to describe Australia's trade approach in Japan as "tiptoeing in terror" lest it upset anyone.

For instance, where were the benefits of this "insider" Australian policy when the Ministry for Agriculture decided this month to postpone the first scheduled auction of rice to be imported under Japan's newly liberalised market?

The decision disadvantaged only one country -- Australia, the only nation with rice harvested in time — and cost the ricegrowers of Leeton an important marketing advantage in a new and prospective market which could be worth anything from $100 million to $200 million to them this year.

And where were the benefits of the softly-softly Australian approach when its share of the Japanese market for car parts fell from 5.7 per cent to 4.5 per cent last year, representing forgone exports of about $55 million a year?

Trade in both of these areas, rice and car parts, is unusually sensitive to policy decisions as opposed to market decisions in Japan and so provides a natural testbed for Australian trade diplomacy.

In these two cases — cases which are current and where the implications are costly — Australia has failed.

But perhaps the most glaring cost of this timid Australian approach is in the biggest-ticket areas of trade, the billion- dollar-plus categories.

In three areas — coal, beef and tourism — Australian industry and officialdom acquiesced in corrupted or cartelised markets in order to win initial entree.

Japanese buying of Australian coking coal is done by a long- standing cartel of the five major Japanese steelmakers.

In the beef market, Australian beef is widely substituted for more expensive US or Japanese beef by the time it reaches the consumer, depriving Australia of the opportunity to fully reap brand recognition benefits and higher mark-ups.

And the flow of Japanese tourists to Australia is conspicuous for the way it is dominated by the big travel wholesalers, making Australia vulnerable to an over-concentration on just a couple of market segments — honeymooners and OLs, Japanese idiom for office ladies, otherwise known as young women.

But the Australian Government assiduously avoids exploring any of these issues in its trade diplomacy with its "unshakable partner".

There is no longer any need for Australian industry to tolerate these cartels, particularly at a time when the Japanese Government is taking a tougher approach to cartels throughout Japan.

Potentially, there are huge yields to Australia from the unlocking of the value in these trades which is now repressed by corrupted markets.

Positioning Australia in APEC for tomorrow is fine, but repositioning Australia in its biggest market for today must be at least as urgent.

### Article Views Future Role of APEC

*BK0306131895 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 24 May 95 p 18*

[Article by Alan Mitchell: "Keating Now Must Find Ways to Salvage APEC From Car Wars"]

[FBIS Transcribed Text] If the United States and Japan are at each other's throat over cars, what hope is there for the APEC [Asia Pacific Economic Cooperation] ideal of co-operative trade liberalisation?

Because it's fairly clear that APEC can only function on the basis of voluntary co-operation.

The US, supported by the Canadians, are talking about a more binding and discriminatory trade agreement, with its implicit code of strict reciprocity.

The Americans are concerned about "free trade, free riding", both by their APEC partners, including Japan and China, and by outsiders, especially the European Union.

But such a formal free-trade agreement is never going to be made. It's not acceptable to the Asian members of APEC. And it almost certainly would not be acceptable to the US Congress.

If NAFTA was hard to get through the Congress (and NAFTA wouldn't get through Congress again after the Mexican disaster), how would the protectionist lobby in the US respond to a formal free-trade agreement with Japan, China Taiwan and South Korea?

In fact, the Congress, has already imposed environmental, labour- market and other conditions on future NAFTA style free-trade agreements which would effectively rule out a formal agreement covering the Asia-Pacific region.

APEC's promise of free trade will be fulfilled by a process of informal co-operation or it won't be fulfilled at all. But how, in the present atmosphere of distrust, can the sponsors of APEC seriously hope for a co-operative push towards free trade?

The answer must be something along the lines proposed by Professor Ross Garnaut in a paper written before the Bogor conference and reprinted in the latest edition of AUSTRALIAN QUARTERLY. APEC's best chance is to harness the tide of reform already under way in the region and that tide is now very strong.

China, Korea, Taiwan, the ASEAN nations, Australia and New Zealand are well into important programs of liberalisation and other reform.

As the Bureau of Industry Economics reminds us in its new report on APEC, Australia's average trade weighted tariff will fall to just 2.9 per cent by 2000-01. Even Australia's major basket-case industries, textiles, clothing and footwear (TCF) and motor vehicles, are going through rapid adjustment. If their regimes of tariff reduction were continued, tariffs on these products would be eliminated by 2010.

The Uruguay Round of reforms, agreed to last year, will now take the region another large step towards the APEC free-trade goal.

APEC can do a great deal to reinforce this process of reform simply by measuring the progress made.

The issue of reciprocity will be important, not just in the US. In Australia, for example, the car industry will use any failure of the other APEC nations to cut their tariffs as an argument against any further reduction in its protection.

Even someone as sensible as John Howard has signalled his intention to beat the reciprocity drum. "The proposition that Australia might find herself to be some kind of theoretical martyr to the goal of APEC without having obtained in return responses from the other countries of the region is not something that commends itself to me," he said last month.

(His spokesman on industry policy, Mr John Moore, has subsequently announced that he is convinced that the car and TCF industries are of strategic importance and worthy of special consideration.)

APEC's economists can help smooth the way for reform by accurately reporting each year on the reforms made by each of the member States.

APEC can also assist by commissioning research on the potential benefits of reform.

Academic research may sound a long way from the real political action, but in fact it is an important part of the process.

APEC's trade barriers were erected as a result of domestic political pressure and, in the final analysis, they will only be removed as a result of domestic political pressure.

APEC needs to arm the reformers with the information they need to win the domestic battles.

The work has been started. The World Bank has done a great deal to undermine the argument for a discriminatory trade pact by demonstrating that most of the benefits of a non-discriminatory reduction in trade barriers will flow to APEC members in any case. (The reason is mainly the already high degree of intra-regional trade.)

But more needs to be done to expose the cost of protection, to clarify the impact of international capital flows, of intra-industry specialisation and so on.

APEC requires a light touch — mainly just the publication of research, the recording of progress made and the general jollying of everyone along.

It asks virtually nothing of the US except the implementation of the Uruguay Round reforms, which it is bound to do anyway.

But it makes it perfectly clear to the American public that the US is not being taken for a ride, that everyone else is reforming too.

It reassures everyone in the region that their reform efforts are being broadly reciprocated, and it helps create the impression of the inevitability reform, which is important in discouraging new investment in protected industries.

It helps keep the reform process rolling along everywhere.

And towards the end of the decade, when the juice has been squeezed from the Uruguay Round and the Asia-Pacific region and the rest of the world are very much closer to the goal of free trade, it provides a political and diplomatic platform from which to launch the next multilateral round.

The trick now is to get APEC properly launched. And that, Mr Keating should tell everyone he meets in Tokyo, would benefit from a bit of leadership from Japan.

Not a lot, mind. Maybe just an accelerated start to the agricultural reforms to which Japan is committed under the Uruguay Round.

In view of Japan's obvious reluctance to get started, that would come as a pleasant surprise to everyone.

It might even help disarm the Americans.

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